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NEWS SUMMARY

GENERAL

BUSINESS

Another bomb factory found for BP project

The third bomb factory to be found in south London in three weeks has been discovered by a team of Scotland Yard's Anti-Terrorist Squad at 39 Longbeach Road, Lavender Hill, a Victorian house which is split into bed-sitters.

In a sparsely furnished, tiny garret room at the top of the terrace house, police found detonators, explosives and other bomb-making equipment.

The tenant, a fair-haired, 28-year-old Irishman, was arrested outside the house on Friday night. Then in a series of raids all over London, detectives picked up four men and a woman.

Neighbours and fellow lodgers knew little about the man who moved into the garret three weeks ago and was paying £14 a week for full board.

Vigilance urged

But they did know that he was a man who could not sleep. A lodger in the room below said: "He used to pace the floor for long periods early in the morning around 2 a.m."

Last night, police, convinced that the bomb factory was linked with attacks on London's public transport and other recent random bombings, urged landlords to be vigilant about mystery tenants.

Heavy fighting in Lebanon

As heavy fighting continued in Beirut, where a mortar missile exploded in the grounds of the British Ambassador's home yesterday, elements of the Muslim Left-wing and Christian Right-wing militia, ignoring Syrian efforts to avert a full-scale military showdown, were preparing to contest Mount Lebanon. Back Page. Balancing her recent visits to Egypt and Syria, Mrs. Margaret Thatcher, Leader of the Conservative Opposition, is on a two-day visit to Israel.

Two die in Thai demo

Two people were killed and more than 50 injured when a grenade exploded in the middle of 10,000 Thai students marching on the U.S. embassy in Bangkok yesterday. Page 6

Quelle heure est-il?

With the introduction yesterday of British Summer Time, Europe entered a period of trauma over what the time is. From Paris it was reported that 67 rail, airline and travel agency employees had already entered hospital with nervous breakdowns. Uncoordinated time changes throughout Western Europe are expected to lead to much confusion and many missed connections. In terms of time, for instance, the Paris to Brussels train will travel three times faster in one direction than the other.

Patricia Hearst found guilty

Miss Patricia Hearst, daughter of Mr. Randolph Hearst, the U.S. newspaper proprietor, has been found guilty on two charges of bank robbery committed while she was with the Symbionese Liberation Army which kidnapped her over two years ago. Sentence is due on April 19. Page 6

Briefly...

The Victorian Military Society has been formed to foster interest in the days when Britannia ruled the waves.
National Association of Widows is calling for an additional income tax allowance of £275 for widows whose income does not exceed £3,000.
Prison officers staffing the Isle of Wight's three jails want a special allowance because they claim the island's the most expensive place in Britain.

Minister hopes D-mark change is not needed

WEST GERMAN Economics Minister, Herr Hans Friderichs, said he hoped that there would not need to be a revaluation of the D-mark. Page 6

U.K. BALANCE OF PAYMENTS deficit is likely to be cut to about £1.5bn. next year—about half last year's level, after allowing for inflation—says a report by the Economic Models Group of econometric consultants.

FOOTWEAR imports rose 13.3 per cent. last year to £121.1m., while exports were up 12.8 per cent. to £82.3m. Shoe imports from Hong Kong fell, but Italy and Spain sent more. Page 4

BRITISH GAS, in a £5m. experiment, has successfully demonstrated the key stage in a new way of using coal to produce a substitute for natural gas. It hopes to win a design and engineering contract from the U.S. Back Page

TITANIUM casting plant may be set up in the U.K. under a plan backed by Imperial Metal Industries. Page 4

CONSUMER representatives should be given a third of the seats on company Boards if the Government backs the TUC's ideas for worker directors, says the National Consumer Council. Back Page

Pay bed charges likely to rise

PAY BED charges in National Health Service hospitals are likely to go up, but reports of a 50 per cent. rise are "speculative," according to the Health Department. Page 4

BREWERS are concerned at a sharp drop in beer production in January—nearly 16 per cent. on a year ago. Lower incomes and higher duty are believed among the reasons. Page 4

FERROUS SCRAP export restrictions are being sought by manufacturers because shortages are putting up prices. Page 4

PROFIT MARGINS on sales by car component and accessory makers fell by nearly a quarter in the two years to April 1975, according to a study. Page 4

FORD management and union officials will make a fresh bid at the Halewood plant today to resolve the dispute over lay-off pay which last week cost the company 1,400 cars worth £1.75m.

MINERS' LEADER, Mr. Joe Gormley, criticised militants who are pressing for possible strike action in support of next year's pay claim. Page 9

PUBLIC SPENDING cuts proposed by the Government have come under new attack from two public sector unions, Nalgo and NUPE. Page 9

Rhodesia statement by Callaghan to-day

BY MALCOLM RUTHERFORD

MR. JAMES CALLAGHAN, the Foreign Secretary, is due to make a major statement on Rhodesia in the House of Commons today in what many officials see as a final attempt to bring about a peaceful settlement. His main aim will be to bring about the resumption of the talks between Mr. Ian Smith, the Rhodesian Prime Minister, and Mr. Joshua Nkomo, the African Nationalist leader, which were broken off last Friday.

He will insist, however, that there can be no question of such a resumption, nor of British participation in any negotiations, unless Mr. Smith first accepts the principle of an early transition to majority rule.

The Foreign Secretary is prepared to agree that the timescale of the transition and the manner in which majority rule is introduced are open to discussion, but only if Mr. Smith takes the "big leap" to accepting the idea of an African takeover.

According to diplomatic sources, there will be something in Mr. Callaghan's statement designed to appeal to both blacks and whites. This is understood to mean an offer of compensation to the white minority and of financial aid to what would become a newly-independent black State.

Mr. David Ennals, Minister of State at the Foreign Office, told the Commons last week that the European population of Rhodesia is 275,000, against nearly 5m. blacks. Of these 275,000, about 80,000 have British or British dependency passports and a further 80,000

have a claim to enter Britain through their recent ancestry. The Government has no wish to see a massive Rhodesian emigration to Britain, but has been considering ways of providing some compensation for those who might like to move elsewhere.

Mr. Callaghan could elaborate on this point today. There is unlikely, however, to be any immediate announcement of the despatch of another British emissary to Salisbury. The Government claims to have learned all it needed to know from the recent visit of Lord Greenhill, former head of the Foreign Office, and from contacts with various African leaders. It is now simply a question of whether or not Mr. Smith is prepared to change his mind on the question of majority rule.

Mr. Callaghan's reaction at first to the breaking off of the Smith-Nkomo talks was to keep quiet in the hope that Mr. Smith would change his mind. The Foreign Office therefore spoke of an adjustment, rather than a breakdown.

But it quickly became clear that Mr. Nkomo and other African leaders regarded the breakdown as total and the Government was also embarrassed by the criticisms of Mr. Reginald Maudling, Shadow Foreign Secretary, who called Mr. Callaghan's attitude "wholly negative."

The Government may also have been influenced by a report by a Conservative MP, Mr. Eddowes, who returned from Salisbury last week and said that the Rhodesian Cabinet was now ready to seek a settlement.

Nor could the Government ignore Mr. Smith's own call for Britain "to come in through the front door," despite the fact that he said at the same Press conference on Saturday that there could be no majority rule in a thousand years.

Mr. Callaghan therefore decided to bring forward his statement which, according to officials, will contain several constructive proposals on which he has been working for several weeks and on which he has consulted neighbouring African governments as well as Mr. Nkomo and other ANC officials.

At the end of the road would be a constitutional conference, but before that there is the question of bringing about the resumption of the Smith-Nkomo negotiations, possibly with British participation.

It also emerged at the weekend that Britain has played a key role in negotiating the withdrawal of South African forces from southern Angola, though diplomatic sources insist that this has nothing to do with British fears about the situation in Rhodesia.

The negotiations took place in London over the past 10 days between Mr. Wilson and Mr. Callaghan on one side and the Soviet Ambassador, Nikolai Lunov, on the other.

The British side said it thought it could bring about the withdrawal of the South Africans provided there were assurances from the Marxist MPLA Government in Angola that the Cubans would be allowed to function.

It was this project which the South Africans said they were protecting. There is a dam at Caluque, about 15 miles inside Angola, and a dam and power station at Ruacana on the border between Angola and Namibia (South West Africa).

The assurances were sought and given through Soviet influence on the MPLA and the South Africans announced at the weekend that subject to certain clarifications, their forces—thought to number around 3,000—will be withdrawn by the end of this week.

The outstanding points should be cleared up when Mr. Andrei Gromyko, Soviet Foreign Minister, arrives in London for a three-day visit today. The visit has been scheduled for some time and he will have talks with both Mr. Wilson and Mr. Callaghan.

The Foreign Office regards the agreement as something of a diplomatic triumph on the ground, strongly held by Mr. Callaghan, that it was South African intervention in Angola, rather than Soviet or Cuban intervention, that was the source of most of the trouble.

Britain did not want to be put into the position of appearing to support the South African presence, for example in a UN debate this week.

The line being taken yesterday was that the Cubans had been invited into Angola and the Russians had been asked to support them.

Unions want new Premier to be an ally

BY PHILIP RAWSTORNE

LEADERS of two major trade unions have called on Labour MPs to ensure that their choice of a new party leader and Prime Minister would reinforce the Government's alliance with the TUC.

"This is vital for the future of Britain," Mr. Jack Jones, Transport Workers' general secretary, said at Scarborough yesterday.

The outcome of the election—for which nominations close at noon today—with six candidates still in the field—must lead to a stronger understanding and a deepening of the relationship with the unions, he declared.

Earlier, Mr. David Bennett, General and Municipal Workers' secretary, said at Birmingham that the unions would expect Mr. Wilson's successor to strengthen the Government's policies of reconciliation.

"We will pledge ourselves to support that successor and to work for the success of the Labour Government," he said.

"We shall expect the new Prime Minister to pledge himself in time to restore full employment and to achieve the social objectives agreed between the party and the TUC."

Many trade union leaders are privately opting for Mr. James Callaghan, Foreign Secretary, as the man most likely to improve the alliance and maintain party unity.

Mr. Merlyn Rees, Northern Ireland Secretary, who is leading Mr. Callaghan's persuasive campaign, said at the weekend: "We must have a government which can and will work closely with the TUC as well as with industry."

If we are to succeed, we must have a united country with a united Labour movement to lead it."

But both Mr. Michael Foot, Employment Secretary, and Mr. Denis Healey, Chancellor, have been pressing their claims in this context.

Mr. Foot, in a weekend speech at Swindon, emphasized his work to consolidate the Government's alliance with the unions without the need to do anything "with it, we can move mountains," he said.

Mr. Healey, in a speech to the Treasury and a prominent supporter of the Chancellor, said yesterday that the unions would work closely with the Government to get the economy back in balance.

But as the weekend drew to a close, the unions' support for Mr. Callaghan was seen to be waning.

Mr. Foot's speech was seen to be a bid to win the support of the Left and Right, suggested by the unions to get the economy back in balance.

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Mr. Wilson: Will not enter the running.

silenced. Mr. Anthony Crosland, Environment Secretary, reiterated that he had no intention of dropping out of the contest. "I am convinced that I have the support, both first and second preferences, fully to justify my candidature," he asserted.

And, after second thoughts, Mr. Roy Mason, Defence Secretary, announced that he would not enter the running. Colleagues had urged him to stand to show that working class trade union members could still rise into the party hierarchy, he said.

"My pedigree is beyond question. However, I must recognise that the main contestants' handwagons have begun to roll and that a substantial body of opinion within the parliamentary party seems to be committed. Therefore, I do not think I would get very far."

Canvassing of the 315 voting MPs—Mr. Jim Sillars and Mr. John Grieve—was under way at Swindon.

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Special factors in sharp increase in money supply

BY MICHAEL BLANDEN

THE MONEY SUPPLY rose sharply last month, with the narrower definition (M1) jumping by an exceptional 5.1 per cent. on a seasonally adjusted basis.

The figure, however, is thought to give an exaggerated picture of the underlying trend. It comes after a period when the growth of the money supply was held back by heavy official sales of gilt-edged stocks, leading to criticism that the Government was being too strict in its monetary restraints.

Last month's figures, moreover, were affected by a number of special factors. These included both movements within the banking system and the continued uncertainty over the impact of the changed pattern of tax payments.

Taking the latest three months together, M1 shows a rise for the quarter of some 8 per cent., with the wider measure of money supply (M3) up by 24 per cent.

Even this calculation suggests an annual rise in M1 of well over 30 per cent., which would be greater than current policy would indicate. The aim generally is to hold money supply growth to a level rather lower than the current rate of inflation, so as to contribute to the counter-inflation policy without threatening excessive restriction, which would inhibit industrial recovery.

The figures over the past year as a whole are probably rather more in line with this target.

M3 is up by about 84 per cent. over the 12 months to mid-February and M1 rose by 17 per cent. over the same period.

Taking the banking sector as a whole, leading to the central bank's measures of the Government rose by £24m., and money stock showed a slight fall after allowing for some repayments as a result of the massive sales of debt by local gilt-edged stocks by the Bank authorities and public corporations.

Within the rise in M1, the Bank also points out, there was an unusually large increase of about £280m. in private sector funds placed at call with both banks and discount houses equivalent to almost 2 per cent. of M1. The large rise in a figure which has tended recently to be fairly stable as a proportion of M1, may be erratic.

Lex, Back Page

CHANGES IN THE MONEY SUPPLY

(Seasonally adjusted total money stock, £bn. and percentage, monthly increases)

	M1	Per cent. change	M3	Per cent. change
1975				
May 21	15.09	0.7	37.47	1.5
June 18	15.11	0.2	37.36	-0.3
July 16	15.50	2.6	37.43	0.2
August 20	15.71	1.4	38.37	1.9
September 17	16.05	2.1	38.63	0.7
October 15	16.14	0.6	38.99	1.0
November 19	15.86	-1.8	38.72	-0.7
December 10	16.05	1.2	38.54	-0.5
1976				
January 21	15.93	-0.7	38.86	0.9
February 18	16.75	5.1	39.74	2.2

GEC may sell its ICL stake

BY MARGARET REID

GEC, the large electrical group, is understood to want to sell, at the right price, its 18.2 per cent. share stake, now worth £71m., in International Computers (ICL).

This could allow the Board to restore the 1976 dividend level to the equivalent of the earlier 11p a share gross (against only 1p recently), a factor which has helped the share to perform strongly lately, though the 11p dividend may not be restored immediately. The shares now stand at 123p, having risen from as low as 29p last year.

GEC, which is headed by Lord Nelson of Stafford, and whose managing director is Sir Arnold Weinstock, inherited its large stake in ICL through its merger with English Electric.

However, it has never looked on the holding as a permanent one—and it has shown increasing interest in selling it as the ICL(H) price was rising in January.

When the ICL(H) price was approximately what it is now, 600,000 shares from the GEC holding were sold, reducing the stake from 19.25 per cent. to 18.2 per cent. (8,07m. shares).

It now appears that GEC would be willing to sell the rest of the holding, at what it is regarded as an acceptable price. Some City observers think this would be up to 150p a share.

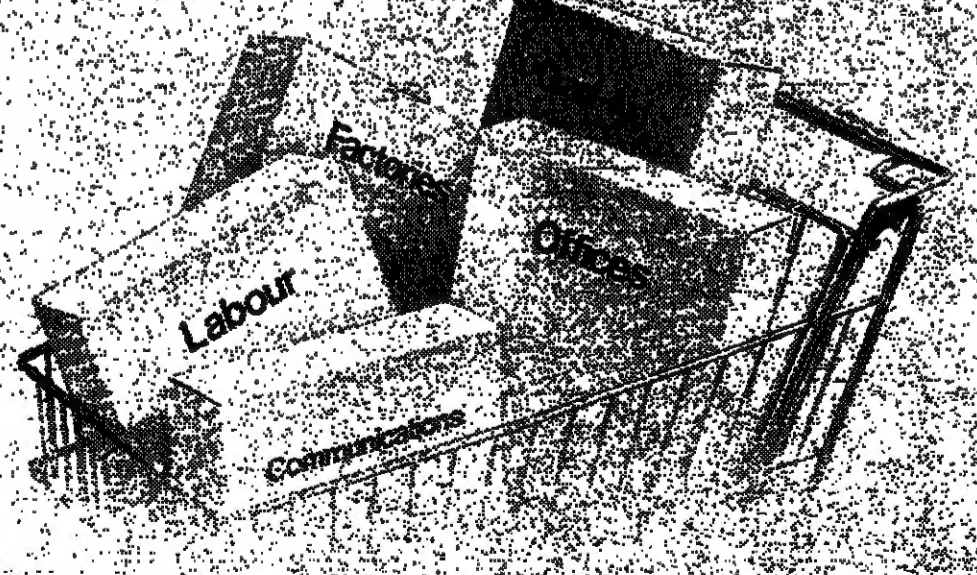
given reasonably strong markets. There is no doubt that Plessey is thinking very carefully whether it wants to step up its own 20 per cent. holding in ICL(H). Its chairman, Sir John Clark, said in January that GEC's limited share sale had led it to "reappraise" its interest.

It is highly improbable, though, that Plessey would, even should it be a buyer, take more than just under 10 per cent. of ICL(H) shares from GEC. Anything beyond this would raise its holding to the 30 per cent. level at which, under the City Take-over Code, it would have to launch a general bid for ICL(H), a development which seems too unlikely to be contemplated.

The National Enterprise Board, as future holder of the existing Government stake in ICL(H), must in principle be regarded as an alternative purchaser of all, or any part of the GEC holding not wanted by Plessey. The NEB has done nothing, however, to encourage the idea that it is a potential buyer of ICL(H) shares beyond the present Government stake.

Computer enters new era, Page 14

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ARTISER'S ANNOUNCEMENT

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British airways ANNOUNCE

Monday, March 22, 1976



The airline's latest wide-bodied jet will fly to the Gulf and India

TRISTAR SPREADS ITS WINGS WIDE

BRITISH AIRWAYS is to introduce its latest wide-bodied airliner, TriStar, on to the routes from London to the Gulf from early April and to India from June. It will be the first time this popular aircraft has been operated by the airline outside Europe. The British Airways TriStars, with 38 first class and 204 economy class seats, will introduce a very high standard of comfort.

Arch route report

GERMANY



Opportunities abound!

With a population of 62 million and the highest per capita income in the world, the Federal Republic of Germany offers a new market for British businessmen. British Airways services are designed to meet the needs of the nine key German business centres. A spokesman for British Airways said: "Germany offers exciting opportunities for British visitors. The German economy is expected to show a five per cent growth in gross domestic product in 1976 and the Bundesbank predicts a 2 per cent increase in money supply. The very high savings ratio of the German people—fifteen per cent of disposable income—meets a pent-up consumer demand."

Services

British Airways scheduled services from London are all at least daily. Many have full first-class facilities on board.

From April 1, British Airways flights to Germany will be:

FRANKFURT. Three services daily from London at 0955, 1235, 1635.

MUNICH. Two services daily from London at 0955 and 1645. (One on Sunday at 1645).

ERLANGEN. Three services daily from London at 05.15, 1545 and 1825. One daily from Manchester five times a week from Glasgow.

DUISBURG. Three services daily from London at 1350, 1725 and 1825. One daily from Manchester five times a week from both Glasgow and Birmingham.

COLOGNE. Daily from London at 1545.

DORTMUND. Daily from London at 1530.

DUISBURG. Daily from London at 1530.

ANNOVER. Daily from London at 1530.

Special inclusive packages have been arranged for all the major trade fairs and exhibitions in Germany. In addition, spouse fares, for the businessman who wants to take his wife with him, can be combined with reduced-price accommodation at British Airways Associate Hotels: the Rich Penta and the Rheinsteine Penta in Düsseldorf.

The interiors of the TriStars being used on these routes are being completely refurbished. The number of seats in the economy section is being reduced by almost a third and they will be arranged only eight abreast, which means no passenger will ever be more than one seat away from an aisle.

The number of first-class seats has been almost doubled, but naturally the cabin is being increased in size to accommodate these comfortably. To cater for the needs of the long-haul passenger, other modifications are being made to the aircraft. Seats in both sections will be the same as those on the British Airways fleet of 747s. Additional wardrobes have been added, while the galley units have been designed to maintain a high standard of bar service and catering.

Research

TriStars will be introduced progressively, taking over from VC10s, throughout April, May and June. From June 7 there will be a TriStar departure from London's Heathrow Airport to points in the Gulf each morning of the week at the convenient time of 0950.

The new aircraft will operate from April 2, initially to Kuwait, Abu Dhabi and Dubai. Dhahran will be served from May 12, and from June 1 the service will go on to Bombay four times a week. Dubai will be served on a daily basis. Dhahran will have four non-stop services and Kuwait three.

Research shows that businessmen go to the Gulf for three main reasons:

- To search for new business — often involving visits to a number of states.
- To service existing contracts — with repeat travel often being necessary.
- To take up appointments, later involving travel home on leave, and visits from family and friends.

The introduction of the 242-seat British Airways TriStar will provide much needed extra capacity and make it much easier for businessmen to obtain reservations.

The Cairo express

IMPROVED schedules between London and Cairo are announced by British Airways for this summer.

Services will leave Heathrow non-stop for Cairo at 0930, arriving at 1610 local time — three days each week, rising to four in July, August and September.

One other service will leave London on Tuesdays at 2230, for an over-night flight to Cairo then going on to Ethiopia. The flights will be operated by the rear-engined VC-10 and will have first-class facilities.

A grand Grand Duchy

INCLUSIVE holidays to Luxembourg — one of the few remaining "undiscovered" countries of Europe — are being offered this year by British Airways, in association with Luxair.

Holidays of various lengths can be arranged, either in the capital or in the smaller towns and villages in magnificent countryside. Brochures are available at travel agents or British Airways shops, and prices range from £59 for two nights, to £171 for 14 nights — including air travel from Heathrow by scheduled service, hotel accommodation and, in some cases, a hire car.



Moving passenger walkways at Charles de Gaulle airport

Air Bridge to Paris

A MAJOR breakthrough in speeding up travel between London and Paris will be made when the Paris Air Bridge opens next month.

From April 1, all British Airways and Air France flights between the United Kingdom and the French capital will go to the new Charles de Gaulle Airport. Coupled with a 30-minute Metro link to the Gare du Nord which opens on May 31, this will reduce total city centre to city centre time.

Trains will depart every 15 minutes and the journey time will be half-an-hour. Passengers will enjoy a free bus service from the airport terminal to the Metro station.

Frequency

The concentration on one airport allows the two airlines to offer up to 15 return flights from London. That means a flight virtually every half-hour at peak times.

British Airways will operate six of these flights from Heathrow, four with TriStar. The TriStar flights depart at 0900, 1000, 1500 and 1700. There will also be regular services from provincial airports.

The Paris Air Bridge will also include flights operated by Air France's A300B-60.

"This move represents the best thing to happen to Paris services for many years," said a British Airways spokesman.

"The high frequency service with wide-bodied aircraft, rapid ground transportation and the superior facilities at Charles de Gaulle will all contribute to improve what is one of the busiest air routes in the world."

Summer

British Airways is increasing their flights from Heathrow to Marseille this summer from three to four each week. The new flight will leave London on Mondays at 1430, arriving at Marseille at 1715. It will be operated by Trident aircraft.

British Airways will also improve its service between Brussels and London this year by reintroducing the popular return flight late in the afternoon on three days a week. The new service should prove popular with returning businessmen as it is timed to leave at 1720.

Export awards for five small firms

MORE than 150 companies — more than twice last year's total — competed for this year's export awards for smaller manufacturers.

To qualify for one of the five awards, companies had to have a staff of under 200. Their exports during 1974 had to exceed £50,000 and in 1975 £100,000.

The winners were chosen by a panel of representatives from the three sponsoring organisations — British Airways, the British Overseas Trade Board, and the Association of British Chambers of Commerce.

For them there are trophies and luxury holidays in Kenya and the Seychelles for a nominated employee and wife or husband.

The winners are: Arthur F. Organ Packaging Machine Co. Ltd., Redditch, Worcs; Concaro Ltd., Weston-super-Mare; Mechema Ltd., London, W11; Jet-Lube Lubricants Ltd., Maidenhead; and Crewa Chemicals Ltd., Sandbach, Cheshire.

Tony Newsome, director general of the ABCC, said: "It is clear that a large number of our small companies have notched up world-beating performances in the past year."

Victory on U.S. routes

Announce Reporter

BRITISH AIRWAYS flew more passengers from Britain to the USA than any other airline last summer. And indeed on scheduled services from the United Kingdom to the United States British Airways carried a third more passengers than any competitor.

The airline is so successful on the North Atlantic because it has more services out of the UK than any other airline and serves ten key cities — Boston, Chicago, Detroit, Los Angeles, Miami, New York, Philadelphia, Washington, Montreal, and Toronto.

These cities can be reached by direct flights from London's Heathrow Airport and, in addition, there are direct services to New York, Montreal and Toronto from Glasgow and Manchester.

Suit

There are fares to suit every traveller to North America.

• First-class and economy fares are primarily for those who fly on business.

• Poundstretcher low fares for the leisure market. Shown below are return fares from London to New York for May to June but there are similar

fare categories on all scheduled flights: 22 to 45 day advance purchase excursion (APEX) from £137, 22 to 45 day excursion from £189, 14 to 21 day excursion from £237.

These fares are at present subject to Government approval.

There are also Advance Booking Charter flights on British Airways by O.A.T. available to New York, Chicago, Los Angeles, and Toronto. Prices this summer start at £116.

Start

For quality inclusive holidays, British Airways Sovereign and Speedbird holidays start at £180 for two weeks.

There are three tremendous attractions this year in North America. They are:

- The Bicentennial. The United States will be celebrating the 200th anniversary of its independence, from coast to coast. And there will be a great welcome for the British.
- The Olympic Games in Montreal. It is likely, once again, to be one of the greatest shows on earth.
- The expected upswing in the North American economy. This must bring big opportunities to British exporters.

For reservations and further details, see your local travel agent or British Airways shop

The easy way to Ireland

IF YOU are now easier the Republic of Ireland, British Airways offers the flight of the day to Dublin, Shannon and Cork. From April 1, British Airways will move the departure of its flight to Shannon to 0.0, and this will give daymakers and other visitors more time to reach their destination.

from businessmen to those visiting their friends and relatives.

The airline is offering five flights each day to Dublin from London, up to ten flights weekly to Cork and a daily frequency to Shannon.

British Airways, in fact, serves Dublin from eight different points in England and Wales.

To match this range of services, a wide range of fares are being offered to the Republic this year.

The "Way Fares", both unique to the UK-Ireland routes, offer especially good value for travellers, visiting friends and relatives.

For short-stay holidaymakers, British Airways has introduced Skypak Holidaybreaks to Ireland for 1976, while continuing their programme of Canaleland Tours.

For self-drive touring holidays the FreeWay Motoring plan offers air travel and a hire car for two passengers staying a minimum of six nights.

"Family Fares" and "All

OVERSEAS NEWS

PATTY HEARST FOUND GUILTY

Round one of the saga

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 21.

AFTER a six week trial that has captivated Americans' attention, Miss Patricia Hearst, daughter of the newspaper proprietor, was found guilty yesterday of bank robbery, kidnapping and other charges.

Judge Oliver Carter said that he would hand down sentence on April 19. F. Lee Bailey, Miss Hearst's celebrated defence counsel, promised that the verdict would be appealed and Mr. James Browning, the principal prosecutor, hinted that Miss Hearst might not serve any more time behind bars if she fully co-operated with the State in its investigation of radical, violent groups like the S.L.A.

All this means that the Hearst saga is likely to remain where it has been on and off for the last two years—on the front page of every newspaper and at the top of every television news broadcast. Technically, Miss Hearst could face a term of up to 35 years in jail as a result of her conviction and still faces trial in Los Angeles on several counts for other offences allegedly committed while with the S.L.A.

The now well-known story began in February, 1974, when Miss Hearst was abducted from her Berkeley, California, apartment. S.L.A. ransom demands subsequently persuaded her father, Mr. William Randolph Hearst, to dole out some \$2m. worth of food to the poor in the San Francisco Bay area.

In April, 1974, Miss Hearst stunned the country by declaring

that she had become a convert to the S.L.A. and had assumed the name "Tania." The bank robbery for which she was found guilty yesterday took place in the same month with the bank's security camera capturing pictures of "Tania" wielding a carbine, standing guard over her quondam kidnappers.

Within a month, most of the S.L.A. including its leader Donald

Dr. William Sargent, a leading British psychiatrist who was called in to interview Patricia Hearst before her trial, told the Press Association yesterday that he was still "absolutely convinced" of her innocence. Dr. Sargent, honorary consulting psychiatrist at St. Thomas' Hospital, said he was certain that she was in a state of "forceful conversion" during her time with the Symbionese Liberation Army.

de Freeze, known as "Clique" and Willie "Cujio" Wolfe, said to be Miss Hearst's lover, were shot dead in a gun battle with police in Los Angeles. Miss Hearst and two principal companions, Bill and Emily Harris, avoided the subsequent dragnet and went on the run all over the country until her capture in San Francisco in September last year.

If this story in itself were not dramatic enough, the trial eclipsed it, largely because, in the eyes of the laymen, of the extraordinary defence waged by

Mr. Bailey, one of America's most able lawyers. His argument was that Miss Hearst had been "brainwashed," terrified into co-operation by her abductors and rendered powerless to escape even when she had the opportunity. At the outset of the trial, most observers had assumed she would be found guilty, but so effective was Mr. Bailey's advocacy that there was grave doubt to the end that this would be the result.

His case probably foundered on three points: Miss Hearst was obliged to plead the Fifth Amendment on 42 occasions in the trial, refusing to incriminate herself on other activities she may have been engaged in while with the S.L.A.; Mr. Bailey also failed to break the evidence of a prosecution psychiatrist, Mr. Joel Fort, who contended Miss Hearst was not brainwashed; and, perhaps most damaging, the jury must have been influenced by the fact that, when captured, she carried in her handbag a charm made for her by "Cujio" when they were lovers.

It is generally true that tales of crime and justice have so far this year competed very successfully with the Presidential elections for the attention of the nation. The Hearst trial has been the most notable. But yesterday morning a long campaign for the redress of alleged injustices achieved success with the release from prison in New Jersey of Mr. Rubin "Hurricane" Carter and Mr. John Artis, pending a new trial on 1967 murder charges against them.

Friderichs sees no need for revaluation

By Adrian Dicks

BONN, March 21.

THE WEST German Economics Minister, Herr Hans Friderichs, said in a radio interview this week-end that the downward drift of the French franc, following its withdrawal from the European snake, would "not be a dramatic occurrence" for West German exports.

Herr Friderichs said his greatest concern in the present state of nervousness and uncertainty in international exchange markets was that countries might be tempted to resort to measures to reduce their imports either directly or indirectly, though he did not mention any names.

Herr Friderichs made no direct comment on the future of the Deutschmark, but said he hoped that there need not be a revaluation. He added that he was also hopeful that the freeing of the French francs had in itself dealt with one of the essential reasons for the recent developments on the foreign exchange markets.

Consistent with the argument, he has been making ever since the question of a Deutschmark parity change first began to be revived early this year, Herr Friderichs based his confidence in the export outlook for Germany on the differences in inflation rates between the Federal Republic and its trading partners.

"In France we have a rate of price increases twice as high as ours, and wage rates rising many times more; the currency must, therefore, change, its parity, Herr Friderichs said.

Not in 1,000 years says Smith as Rhodesian talks founder over issue of majority rule

BY TONY HAWKINS

SALISBURY, March 21.

LAST WEEK'S breakdown in the Smith/Nkomo talks does not mean that negotiations have come to the end of the road, even if Britain does refuse Mr. Smith's appeal for direct U.K. participation.

This was the Rhodesian Prime Minister's message at his week-end news conference at which he said that the collapse of the talks would not lead to an intensification of the war, would have no implications for the internal security situation and would not affect relations with South Africa. Mr. Smith made it clear that so far as he was concerned, the only real change in the situation was his repeated invitation to Britain (whom he blamed at least partially for the failure of the talks) to come in "through the front door" and play an active role in helping solve the dispute.

Mr. Smith declined to reply to the Foreign Office statement that Britain would not agree to take part in the talks unless Rhodesia accepted the principle of an early transition to majority rule. But the Rhodesian leader showed just how far apart the sides have been in the talks when he said "I don't believe in black majority rule ever in Rhodesia... not in 1,000 years."

Mr. Smith declined to give details but said "You can rest assured that if the British Government refuses to participate, then we will produce some alternative."

White opinion in Rhodesia appears to be rallying to Mr. Smith with the moderate opposition groups making it clear that

the ANC demand for black majority rule within a year is unacceptable. At the same time, the white opposition does not believe that negotiations have reached the end of the road and is supporting the call for U.K. participation.

But it is also clear, that apart from the right-wing extremists, no one has any clear idea what to do next.

The right-wing Sassen movement (the white solidarity reference of southern Africa), wants no talks with Britain, a harder line against guerrillas in the terrorist war and the introduction of Apartheid.

On the nationalist side, there is jubilation in the ANC Muzorewa camp at the collapse of the talks. The Muzorewa nationalists who are holding a meeting in Nairobi this week-end believe that Mr. Nkomo has now come to the end of the road.

Mr. Nkomo himself says he will stay in Rhodesia and will concentrate on organising his Rhodesian-based ANC, but there can be little doubt that he has suffered a severe setback.

Mr. Nkomo gloomily warned white Rhodesia that if majority rule does not come through discussions then it will come "the hard way" and this he said would be "disastrous."

From all this it is clear that there is a vacuum in the Rhodesian situation now that the day news, and that the tide of opinion will now engulf the nearest Mr. Smith came to making any kind of conciliatory

gesture to Britain was his rather surprising statement that it was in the best interests of Rhodesia then he would be prepared to "retract" U.D.I. However, any advance implicit in this comment was quickly eroded by his rejection of black majority rule.

A further snag is the fact that Mr. Smith has denied that he accepted immediate parity in the Cabinet but not in Parliament. He denied that he had accepted the concept of a transitional government, and he also denied that he had accepted the principle of majority rule in ten to 15 years.

Our Foreign Staff writer: Reaction elsewhere in Africa to the breakdown of the talks has been sombre. Mr. Kaunda, Zambia's President, whose efforts to achieve a wider settlement in southern Africa have now collapsed, spoke of the "bravest hour in the history of our sub-continent" in which the "irrevocable" decision on the battlefield.

He pointedly recalled Sunday's 16th anniversary of the Sharpeville massacre when 69 blacks were shot dead by South African police leading some 50,000 protesters to the police. He said that the policy towards its white neighbour to the south may now change.

In Dar es Salaam Tanzania's Government newspaper, the Sunday News, said that "the tide of opinion will now engulf the nearest Mr. Smith came to making any kind of conciliatory

Swiss reject worker participati

PROVISIONAL results in week-end's national refer show that "no" overw majority of voters and rejected motions aimed at ing industrial democracy country's constitution.

John Wicks from Zurich, proposal put forward by trade union bodies for co-determination, rights of employees and their unions to enterprise and the service, and a less far-reaching proposal for co-determination in the private sector of private-enterprises, were turned down.

Results from the first round and which show a single majority in far either position. This was there will continue to be a national issue for legislative determination of obligate determination systems.

Uncatd board fa agree Nairobi ag the positions of Western countries in resp the developing world brought into sharper the two-week special the United Trade and cent. Jagers which bers over the week-end reports from Geneva recognising the very sig differences of views on the coming U.N. Tra Development Confer Nairobi, the Board failed ducy substantive propo south East the confere was the basic objective meeting set out by the Secretariat.

Soviet crop forec SOVIET GEORGIA is f severe crop failure as of an unusually harsh according to local new our Moscow correspond between January 1 and 1 only 30 per cent, as man ables had been planted a same period last year and cent. as much grain, fed also stood at 77 per those in 1974.

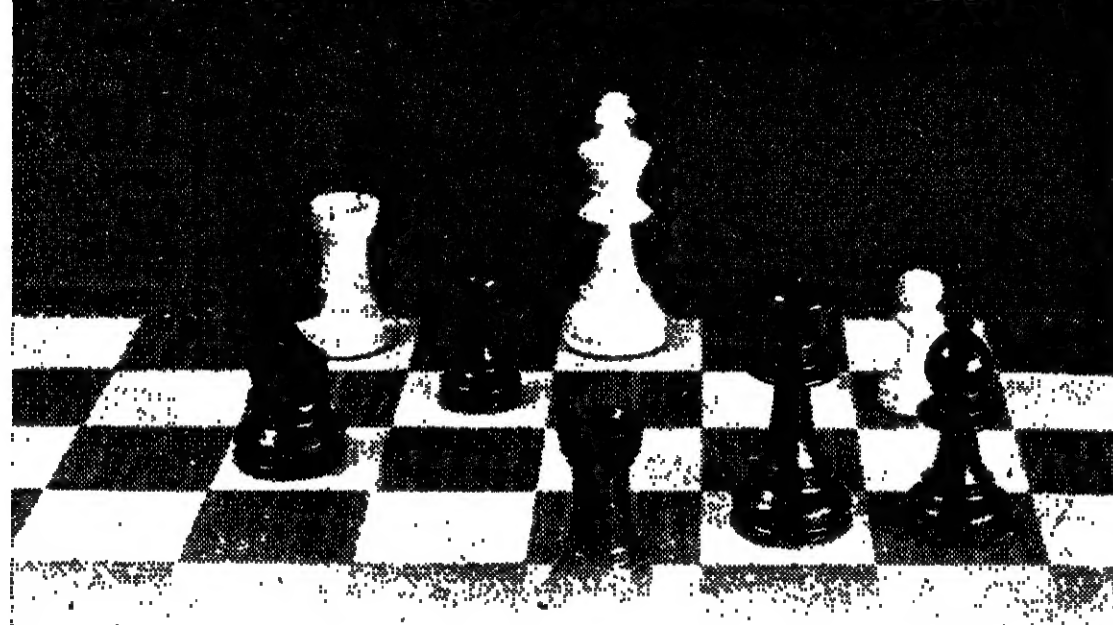
Teng 'should rep China's senio Vice-Teng Hsiao-ping the mal of an "anti-right wing" could still survive politica "sincerely" repented. People's Daily indicated day, Reuters reports from in "surprisingly" n front-page commentary, ti paper asked if Mr. Teng continue playing tricks "a genuine change of he sincerely repeat. Peo watching to see what his is."

Cambodians vote Cambodians voted on 1 for a 250-person nationa by, Phnom Penh radio a "broadest monitored y UPI reports from 1 "Peasants voted in the workers voted in the and soldiers voted at the of duty," the radio said broadcast, monitored in I called the election "an significant event," but give any results of the v

Olympic takeover Quebec Finance Minist mond Garneau has co that the provincial govt probably will take over th Olympic Village in th Olympic, paying off the consortium for its investm certain management fe leaving it an ample ret Montreal correspondent.

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Aegean joint venture proposed

BY METIN MUNIR

ANKARA, March 21.

TURKEY has proposed the formation of a joint company with Greece to exploit and share the resources of the Aegean Sea, which have been the subject of dispute between the two states. A well informed source said today.

The offer was made several months ago and Greece informed Turkey that it would consider the idea but so far produced no counter-proposals.

Neutral western diplomatic sources said that this formula would be ideal for settling the Aegean problem which raised the danger of military confrontation between the two states in the past and may do so again if it remains unresolved.

Turkey and Greece have conflicting views on the sovereignty of the Aegean continental shelf where Greece has discovered

deposits of oil. Greece claims that its islands in the Aegean (numbering 3,054 of which 384 are inhabited) are entitled to their own continental shelf activity would cover the entire Aegean outside the current territorial waters of Greece and Turkey. The States would have the boundary of the continental shelf and claims sovereignty to the east of this line excluding the inhabited Greek islands.

The two countries have agreed in principle to refer the dispute to the International Court of Justice at The Hague but are disagreed on the procedure. Athens wants all issues pertaining to the Aegean shelf to be submitted to the court while Ankara wishes to restrict issues only to those which will prove to be insoluble in bilateral discussions.

Details of the Turkish joint venture proposal were not avail-

able and it is not even certain whether details have been formulated. But, according to the source, the company's field of activity would cover the entire Aegean outside the current territorial waters of Greece and Turkey. The States would have the boundary of the continental shelf and claims sovereignty to the east of this line excluding the inhabited Greek islands.

The Aegean dispute had been revived with the opening of the Conference on the Law of the Sea in New York which is trying to codify a new system based on a 12-mile territorial zone and 200-mile economic zone.

There has been a lot of sabre-rattling in both the Turkish and Greek Press recently showing that public sentiment in both countries is running high and will give little room for manoeuvre in negotiations.

Two killed in anti-U.S. protest in Bangkok

By Richard Nations

BANGKOK, March 21.

TWO PEOPLE were killed and over 50 wounded by a grenade pitched into the midst of an estimated 10,000-strong column of students marching on the American embassy in Bangkok this afternoon.

The students were demonstrating in support of the Thai Government's ultimatum after yesterday's deadline when the Americans failed to agree to Thai conditions for withdrawing their forces in the country. The Americans have been given four months to remove all their 4,500 military personnel and dismantle and carry off any equipment. Furthermore, all American operations at the U-Tapao airbase, intelligence monitoring centre at Ramatthan and radar and satellite tracking stations in the north will have to end immediately. Prime Minister Kukrit said at a Press conference at the end of the talks.

Talks failed apparently because the Americans were unwilling to accept full Thai jurisdiction over U.S. installations and personnel in the country. The American Ambassador said the U.S. was seeking nothing more than the privileges encompassed in standard status of forces agreement the U.S. has with most other countries where its troops are based.

CD Congress proceeds in confusion

By Anthony Robinson

ROME, March 21.

AN AIR of confusion continues to characterise the national Congress of Italy's ruling Christian Democrat party after four days of speech-making by party leaders interspersed by bursts of frantic applause, cat calls and heckling by representatives of the party's rank and file.

Ex-party Secretary Amintore Fanfani repeated his call for frontal opposition to the Communist Party and suggested that an early election should be called to clarify the political situation if the Socialist Party was not prepared to co-operate with the Christian Democrats on the latter's terms. Prime Minister Aldo Moro, on the other hand, backed up party Secretary Benigno Zaccagnini's line of constructive confrontation with the Communist party and called on Congress to reaffirm Sen. Zaccagnini in his post.

Israel High Court move may cool Arab tension

BY L. DANIEL

JERUSALEM, March 21.

THE ISRAEL High Court to-day ruled that the police had the right to permit or forbid access of Jews to the Temple Mount (on which the Al Aksa Mosque is located). This ruling was handed down as a result of the complaints lodged by a tourist against the Minister of Police on the grounds that Israeli police had not permitted him to enter the area or to pray there.

This previous ruling had been questioned recently as a result of the decision of a local magistrate which found a group of Jewish youngsters who had entered the Temple Mount area in defiance of the ban not guilty. It was this magistrate's ruling which has been one of the main causes of the wave of unrest which has swept the West Bank and East Jerusalem for the past fortnight despite the fact that the Israeli Attorney General himself has appealed against the magistrate's ruling in the district court.

To-day's verdict should go a

long way to defuse the tension in the West Bank and in the Arab part of Jerusalem, if the question of the Temple Mount was indeed the main reason for the disturbances.

The Israeli Cabinet to-day discussed to-morrow's United Nations Security Council debate on the recent events in Jerusalem and the West Bank. The Israeli ambassador to the U.N. has been instructed to take part even if the Palestine Liberation Organisation is also present.

The Leader of the British Opposition, Mrs. Margaret Thatcher, begins a two-day visit here to-day during which she will meet with President Katirji, Premier Rabin and Foreign Minister Allon. The visit is clearly intended to balance Mrs. Thatcher's tour of Egypt and Syria two months ago. It will be her second one to Israel, her previous visit having been in her former Education Ministry capacity.



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2. The holders of Barlow partly paid shares and options over Barlow shares applied for and will receive a total of 222,402 shares.
3. The holders of Barlow fully paid shares applied for 2,755,818 shares in excess of their entitlement. These excess applications will be satisfied on the basis of 25% of the shares applied for, ignoring all fractions of shares arising on the application of this percentage.

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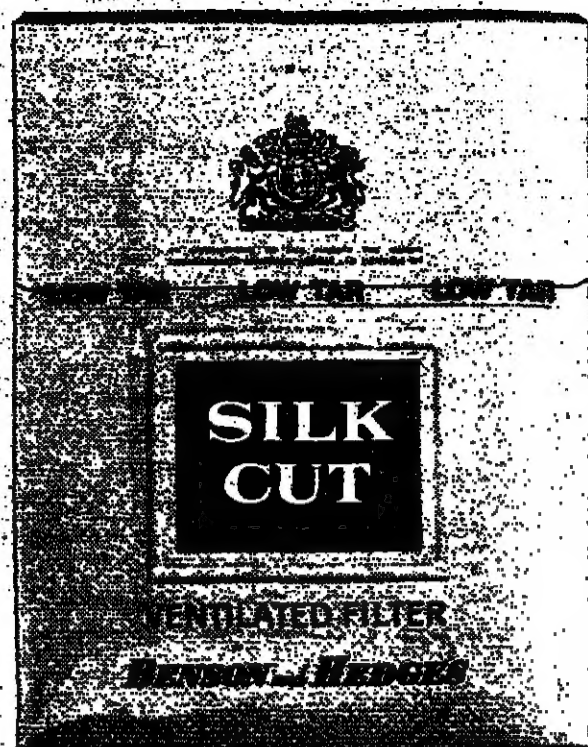
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EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING

The Office World

EDITED BY JOHN ELLIOTT

Higher Post Office prices could double mail and telephone bills for business this year. Yet many companies have not acted decisively to offset costs. Roy Levine reports.

Ways of communicating economically

THERE IS a great deal that businesses can do to offset soaring mail and telephone costs. But so far most companies—including some of the U.K.'s biggest—appear to have done little other than distribute internal messages to their employees giving some basic advice.

A random survey conducted last week revealed that few companies have clear policies on communication costs which seem to rank as a low management priority.

Among the exceptions, Ford and Readers Digest have taken some drastic actions to produce significant economies in both their telephone and postal bills. But there has been a general lack of response by business, and even the Government has done little despite unprecedented increases in the costs.

The Post Office has estimated that last year's rises alone will almost double the average business communications bills for 1976.

Perhaps one reason for the inactivity is the swiftness with which the increases have come. Postal charges, for instance, remained fairly stable at least in relation to inflation, until 1973. But since then the cost of a first-class letter has risen by 142 per cent from 3p to 4p, including two rises last year.

There is a similar picture with parcel post. Until the middle of 1974 the cost of posting parcels had risen only gradually but a price rise requested by the Post Office, if successful will have more than doubled in less than two years. The rate for a 1-kilo parcel, for instance, will have risen from 23p to 45p.

Telephone costs

At the same time, telephone costs have risen fastest of all. The cost of a two-minute phone call during the peak hours of 9 a.m. to 1 p.m. has risen by no less than 4 times to 3p since October 1973. Yet it can still be cheaper to make a short phone call than send a letter.

Most of the price increases have been made since the Government told the Post Office

it must pay for itself from its financial year starting next month and there might be further price rises towards the end of this year in addition to the parcels increase.

Those companies that have done little to offset the increases will not be able to avoid the higher bills which they are now receiving, but by taking

urgent action now they could reduce costs in the future.

Action, that some companies have taken includes sending the bulk of their mail second class instead of first class, or instructing employees to make most of their phone calls after 1 p.m.

Internal messages giving advice about how to shorten phone calls—for example, by making notes of what one wants to say before starting a call—have also become popular. So, too, have posters detailing the different telephone tariffs. One office equipment company has prepared a tape cassette explaining such ideas which can be bought for 5p.

Almost all of Ford's savings have been on telephone costs. In 1974 its phone bill amounted to over £2m—coincidentally the size of its pre-tax profits for that year. Since then its phone bill will have doubled and it decided to take drastic action.

First, it reduced the number of telephone extensions and accessory equipment. Everyone

in the organisation apart from directors and vice-presidents was left with only one phone. Equipment eliminated included loudspeakers linked to phones, and aids that gave direct access to other employees.

The most dramatic saving was on the desk of the communications manager whose equipment rental bill was reduced from £200 a year to £9, including the loss of some experimental machines. But the average saving was considerably less.

Overall, rental accounts for a minor part of the total telephone bill and the bulk of the savings have been made on call charges.

Like many other large companies, Ford has its own internal telephone network linking all its U.K. offices. Not only has this been considerably cut back, but connections to the public network have also been reduced.

Obviously this makes access to outside lines more difficult, leading to congestion at peak times. But this has been Ford's deliberate tactic of imposing discipline on employees to use the phone more efficiently.

The company has briefed staff on how to make shorter calls so that they do not keep others waiting for too long. They are told to have their files ready,

talk quickly and to leave messages instead of hanging on.

As a result, staff have responded well and the telephone bill has already been cut by about 10 per cent on what it would have been with the higher prices if no savings had been introduced. But there may well be times when, out of desperation in waiting for tele-

cassette form.

Mail shots are made more productive by offering more free premiums or gifts than before to induce sales—the cost of such perks is less than the additional postings required to reach the same level of sales.

But these moves are still not enough to offset last year's rise in mail costs. So this year there may be a sharp fall in the number of mail shots.

Another company that has saved 10 per cent of its £750,000 a year mail bill is B. H. Blackwell, the Oxford booksellers. Its main tactic has been to consolidate outgoing mail so that all letters or parcels to the same address are sent in a single parcel. Instead of being sent daily, mail is sent on average three times a week. This technique is also used for its extensive business with the U.S.

The company has an office in New York and sends all the mail, addressed and stamped, in one parcel. Each letter and parcel is then posted separately on arrival.

One of the fastest responses to higher mail costs has been the growth of document exchanges. These provide central mail boxes where members can deliver and collect their mail with their own messengers. The London Documents Bureau operates one in the City for the financial community called the City Document Exchange.

In four months it has already attracted 175 members, mostly insurance companies. The only cost is a box rental which is £200 a year plus VAT. Naturally a lot of post generated by insurance companies and if they are members of the exchange, these letters do not involve any postage charges. Instead, the letters are delivered to the recipients' boxes.

While these economies may be necessary during a recession, the disadvantage is that when better times come, it may not be possible to get the returned equipment or external lines back because in boom times there is often a waiting list. But this is a risk Ford has decided to take.

Ford has also set up a pilot scheme to monitor phone calls for each department on a computer. Managers in each department are asked to justify any excess expenditure over a given norm. The norm is worked out according to the average past expense of each department. There will also be random checks to determine that the norms are as low as possible.

Another company that has taken decisive action to offset costs is the Reader's Digest which as a mail order house is one of the biggest users of the Post Office services. It reckons to have saved over 10 per cent of its mail costs by reducing the weights of materials it sends to customers and by increasing the productivity of mail shots.

Since the cost of postage varies with weight, thinner paper is used in books and leaflets. Packaging material is also reduced to a minimum. Even the gramophone records the company sells by post are thinner and wherever possible record albums are sold in

phone lines, staff decide to write a letter or even visit the person they want to talk to—which would cost more than a telephone call.

Monitoring calls

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Ford has also set up a pilot scheme to monitor phone calls for each department on a computer. Managers in each department are asked to justify any excess expenditure over a given norm. The norm is worked out according to the average past expense of each department. There will also be random checks to determine that the norms are as low as possible.

Another company that has taken decisive action to offset costs is the Reader's Digest which as a mail order house is one of the biggest users of the Post Office services. It reckons to have saved over 10 per cent of its mail costs by reducing the weights of materials it sends to customers and by increasing the productivity of mail shots.

Since the cost of postage varies with weight, thinner paper is used in books and leaflets. Packaging material is also reduced to a minimum. Even the gramophone records the company sells by post are thinner and wherever possible record albums are sold in

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success and opened a rival exchange of its own in the City, competing with a lower rent of only £120 a year. Most of its 100 members are banks.

There are other private messenger services but these can infringe the Post Office monopoly on the carriage of letters in the U.K. if mail other than one's own is handled. So far no one has come into the open to challenge that monopoly in the courts.

A number of companies, though, do run "pirate" postal services by sending letters in bulk to countries where the postal rates are very much lower—Ireland and Malta are two popular countries. While these services can save costs, there is a risk that the Post Office, which is seeking the companies out, will impose penalties if the perpetrators are discovered.

No monopoly in parcels

One area where the business has been active in using alternative services is in parcel post, where there is no Post Office monopoly. A survey by the recently formed Mail Users Association found that a company despatching a large number of small parcels to the same address could save money by using the carriers competing with the Post Office.

These include Roadline (formerly British Road Services Parcels) and National Carriers, both owned by the Government, and the privately-owned United Carriers. These companies can negotiate charges on their real costs for the job, rather than on national costs which the Post Office has. But they do not provide as wide a service as the Post Office.

While companies and others may be turning their minds to saving costs, the Post Office has problems, too. The effect of its price rises has been a fall in the demand for its services, except for telex's where price increases have been rather slower.

The traffic in letters, for example, has fallen by 12 per cent since the beginning of last year. (parcel and telephone traffic is not made public by the Post Office). Although this fall is in line with Post Office forecasts, the rate at which traffic falls could escalate.

So the Post Office now finds itself in a vicious circle—the more it puts its prices up, the more business it loses.

Substantial savings

Surprisingly, none of the members seem to have calculated the resultant savings. But the general impression is that savings can be quite substantial because in general there is no need to employ more messengers to handle mail in a central area.

There is also an exchange for the legal professions called the London Document Exchange in Chancery Lane which has attracted 250 members. The Post Office has caught on to this

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EXECUTIVE HEALTH

Hayfever time

BY DR. DAVID CARRICK



Mirror, mirror on the wall...

EVERY YEAR, so soon as the official statements about high pollen counts are broadcast, like the wild parsnip and offices reverberate with sneezes and sneezes which signal the start of the hayfever season.

The cause of the distressing complaint is believed to be an antigen-antibody reaction taking place in the nasal mucous membrane, sparked off by an invader. A majority of sufferers are afflicted during a period from May to July when pollens from various grasses, weeds and trees are in full flower. A minority suffer more because their allergic reactions—sneezing, lachrymation and even difficult breathing—are sparked off by allergens with a longer span of activity such as the moulds, house-dust containing mites, animal hair and even sudden changes of temperature.

Many other plants trouble the few. Some pollen counts are broadcast, like the wild parsnip and offices reverberate with sneezes and sneezes which signal the start of the hayfever season.

Of the man-made compounds certain cosmetics and dyes can do anything but help. A number of cosmetics have been bitterly regretted as much money to buy a better face. And I am sorry that a number of manufactured products are neither antiseptic nor soothing.

A number of metals, in particular, evoke troubles in many people. In the past, people have had to wear "pretty girl" with swollen ears and cheeks that her friend's gift of "pure" earrings glistened too much, due to wear and sweat moving the thin gold plate skin when in contact with a diverse variety of antigenic elements. Because only some people are allergic to certain materials (natural or man-made) and because of the limitations of substances involved, diagnosis of the cause may be an exhausting and frustrating exercise. False trails are too easy to follow. Take, for example, three burly builders, all of whom are displaying allergic skin disorders on their hands and arms, then the obvious cause is sought among the materials they are handling at work.

I only tumbled to the truth when I happened to see the three tough fellows fussing around their display of plant primulas at a fête—those pretty primulas are guaranteed as plants are notorious trouble-makers for the hypersensitive!

Some detergents cause trouble to the unfortunate, but a may be an exhausting and frustrating exercise. False trails are too easy to follow. Take, for example, three burly builders, all of whom are displaying allergic skin disorders on their hands and arms, then the obvious cause is sought among the materials they are handling at work.

Frequency of washing plus swabbing of breaking down chemical thus releasing for which some people are allergic.

So, neither over-dressing, primulas at a fête—those pretty primulas are guaranteed as plants are notorious trouble-makers for the hypersensitive!

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Notice of Redemption and Termination of Conversion Rights

Monsanto International Finance Company

4 1/2 % Guaranteed Sinking Fund Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 15, 1965 under which the above-designated Debentures are issued, \$1,350,000 principal amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on April 15, 1976 through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption:

15,000 COUPON DEBENTURES BEARING THE PREFIX LETTER M																							
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LABOUR NEWS

Gormley criticises militant miners

Public sector unions again attack cuts

BY DAVID CHURCHILL, LABOUR STAFF

Our Labour Staff
PRESIDENT Mr. Joselyn yesterday criticised last members of the 260,000 National Union of Mineworkers who are urging delegates at the union's annual conference in July to threaten action in support of next year's pay claim.
Gormley told a NUM annual conference at Scarborough that it was "irresponsible" for miners to challenge the Government's pay policy by threatening to strike because it would be the image of the industry at a time when its future will be discussed.
Last month the miners voted the full £5 allowed by the present policy.
Acknowledging the industrial strength of the union, Mr. Joselyn said that negotiation was a "bitter force" and the best procedure. He would not be satisfied until the miners at the top of the wages tree predicted that the £100-a-miner would come "sooner or later".
There should be new productivity deals at each pit, with scales negotiated between a union and management.

A NEW attack on the Government's proposed cuts in public sector unions and workers representing over 1m. workers.
The National and Local Government Officers' Association and the National Union of Public Employees, the fourth and fifth largest unions affiliated to the TUC, have linked their opposition to the cuts with demands for a rethink of the Government's economic strategy.

NUPE claims in its pre-Budget economic review that the Labour Government has moved from the principle of socialist planning to resolve the fundamental weaknesses of the economy, and accuses it of "fudging the issue of public control over the giant monopolies."

Unsound
Mr. Geoffrey Drain, NALGO general secretary, told a union conference at Chelmsford, Essex, that the Government's policy of public expenditure cuts and high unemployment was a remedy for inflation which was economically unsound and jeopardised the future of manufacturing companies.
"The Government would do well to look at its policies

before it is too late," he said. His union wanted to continue with the social contract but "we will not do so at any price."

The Government ought to start thinking soon about the economic strategy advocated by the TUC and supported by NALGO which included, among other proposals, selective import controls and a refutation of the economy.

NUPE also says in its economic review that unless the Government's present policies are changed, unemployment could reach 1.5m. by next winter.

Such high unemployment figures represented a considerable drain on the Government's financial resources. Expenditure could be reduced by bringing down the level of unemployment instead of cutting public services.

There should be a selective refutation of the economy to stimulate demand and a new programme of job creation through fiscal policies.

NUPE specifically wants the Chancellor to raise tax thresholds for low paid workers, to increase retirement pensions and to give family allowances for the first child. The union steers clear of

suggesting further controls on free collective bargaining, but supports a national minimum wage to combat low pay and a maximum income beyond which income tax should be levied at 100 per cent.

Its alternative strategy for the economy also embraces Government control of investment and capital flows; expansion of the National Enterprise Board; production of a national plan with compulsory planning agreements; and establishment of industrial democracy at local levels.

New bid to resolve dismissal row at GEC subsidiary

BY DAVID CHURCHILL, LABOUR STAFF

TALKS AIMED at resolving a 10-week-old dispute at a North London subsidiary of the General Electric Company will be held today by union representatives and management.

About 350 members of the technical and supervisory section (TASS) of the Amalgamated Union of Engineering Workers and eight other unions involved at industrial-fun manufacturers Keith Blackman claim to have been "locked-out" since early January.

In an attempt to draw attention to the dispute, workers from Keith Blackman demonstrated outside GEC's Mayfair offices last week and other workers occupied the Tottenham factory.

The dispute came after the dismissal of a TASS shop steward for carrying out union business at another factory in company time, in spite of a management warning that he would be dismissed.

After talks between unions and management failed to achieve the steward's re-instatement, TASS began a series of selective strikes which led to the company shutting the factory down until normal working was resumed.

The unions claim that the company is refusing to re-instate the shop steward pending further talks on industrial relations and job security arising from re-organisation plans at the factory. To-day's talks, however, will explore possible areas of agreement before asking the Advisory Conciliation and Arbitration Service to help to produce a settlement.

The shop steward at the heart of the dispute is said to have been warned on previous occasions by the company not to take time off for official union business.

"I believe it has to be agreed among the unions that there can be no automatic reliance on TGWU members fighting their battles for them."

"While members of other unions inside the factory are at work, our members—and they may be truck drivers bringing in supplies or taking our goods—are losing wages by not crossing picket lines."

"Our driver members are increasingly being caught up in disputes that do not directly concern them," he said yesterday.

Protest over pickets

BY OUR MIDLANDS CORRESPONDENT

A PROTEST to other unions concern them," he said yesterday. A protest to other unions concern them," he said yesterday.

being asked not to cross picket lines has been made by the Transport and General Workers' Union in the Midlands.

Mr. Brian Mathers, regional organiser, has written to white and blue collar unions explaining the problems and asking for forbearance.

"Our driver members are increasingly being caught up in disputes that do not directly concern them," he said yesterday.

EEK'S FINANCIAL DIARY

the following is a record of principal business and financial engagements during the week. The Board meetings are only for the purpose of controlling dividends and official positions are not available after dividends concerned are paid or final. The section shown below is based only on last year's time-table.

COMPANY MEETINGS—
Northern Investment Trust, Glasgow, 12.30.
Herald Assurance, Winchester House, 12.30.
Machinery, Westminster Street, 12.30.
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Gas

HOW MUCH MONEY IS IT SAVING BRITAIN?

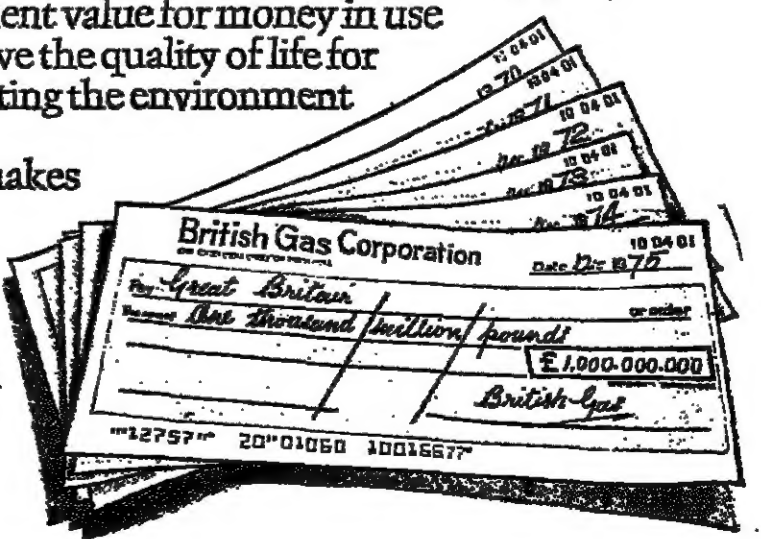
The answer is hundreds of millions of pounds a year on our balance of payments.

So when you remember that natural gas has been coming ashore for some eight years now, the total amount of foreign exchange saved for the country is truly enormous. And more than that, natural gas has also helped Britain to become increasingly independent of other countries for our vital supplies of energy.

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So please use it carefully—it's much too good to waste.



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- 2 Turn your thermostat down a degree or two
- 3 Turn off unnecessary radiators
- 4 Insulate your roof space and hot water system
- 5 Have your gas equipment properly maintained and serviced
- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS

FINANCIAL TIMES REPORT

Monday March 22 1976

STRUCTURAL STEEL

A new emphasis on overseas sales has helped the structural steel industry to weather the difficulties of 1975. However, home demand is low, offshore orders have fallen off, and even expanding exports have failed to remove the threat of a contraction in the labour force and in fabrication capacity.

IT IS a tribute to the flexibility of the companies in the constructional steelwork industry that during the last 12 months, when the building recession in Britain has hit them hard, they have lifted their total sales to a new record level. It is estimated that their business for 1975 will show a total turnover of some £360m., compared with £290m. for 1974. The price of maintaining such a brisk business pace for many companies in the industry is that they have had to turn to foreign markets with more energy and resolution than ever before. There is now a feeling in the industry that a high level of foreign business must be a permanent feature of the industry's activities.

At home the industry has not had a good year. The poor demand for new private industrial buildings, which represent between 40 and 45 per cent. of the total market for structural steelwork in Britain, is having a particularly depressing effect. Offshore fabrication work certainly helped in the early part of the year but fell away, and orders for only two platforms are expected this year.

The industry employs an estimated 35,000 to 40,000 people, with some 200 companies forming the core of its activities. Perhaps emboldened by its own considerable contribution to the

export effort, the industry is lobbying the Government more forcefully than ever before for reasonable continuity of work at home. It is an industry that sees Government economic policies reflected quickly and clearly in its order books. The flow of public sector work includes power stations, steelworks, bridges, transmission towers, educational and hospital buildings, docks, tunnels and other miscellaneous buildings. The important private sector factory buildings is also highly influenced by Government policies now that industrial development grants play such an important part in private sector projects.

Dramatic

While all market sectors are depressed the fall in the value of new orders for private industrial buildings has been dramatic—from £953m. in 1973 to £618m. last year. Forecasts by the National Economic Development Office and the Council for Building Material Producers show that a further fall in demand for industrial buildings of some 10 per cent. can be expected during the coming 12 months. The British Construction Steelwork Association considers that during the remainder of this year and next year decisions to replace exist-

ing buildings or to begin completely new investment projects will be generated as much by Government desire to increase industrial investment as by private companies reacting to market conditions. The BCSA hopes—and it is only a hope—that

Electricity Generating Board, has already forecast that new orders for coal and oil-fired power stations may not materialise before 1980. They may be even further away than that now that the CEGB is digesting the Electricity Council's new forecasts

great Humber suspension bridge is still under construction and giving an illusion of a healthy industry in that sector, the truth is that the forward prospects for bridge building in Britain look gloomy. The Government is

portfolio of clients. The BCSA has started a world-wide promotional campaign under the slogan *Specify Steel*. Concentration upon export markets and collective promotional activities has resulted in the number of export inquiries

ing has led, in turn, to a recognition among the British companies of a need for more pooling of back-up resources. That has arisen, in particular, over the problems of differing national codes and standards for building. In the Middle East the complexity of the wide range of codes and standards is being made the subject of a special study by the British industry in the hope that a greater understanding will make it easier to win an established place on those markets.

The industry is also waging an assault upon Government departments to have itself regarded rather differently in future. The constructional steelwork industry is at present

considered part of the construction industry and, as such, the Department of the Environment is its sponsoring ministry. However, as the Government develops its industrial strategy the industry is inevitably having to be considered as part of the engineering sector. The companies argue that they belong there by rights under the sponsorship of the Department of Industry. Progress is likely this year towards identifying the industry more clearly.

There is a possibility that an Economic Development Committee ("Little Neddy") will be set up for the constructional steelwork industry. The industry

Looking to the future the industry sees buoyant markets abroad, particularly the oil-producing countries which are heavily committed to building its export performance. But it cannot substitute the industry's inevitable work for home work enough to maintain the load it needs. There is a continuing poor home investment cycle does may result in contraction labour force and, fab this year towards identifying the industry more clearly. investment cycle does may result in contraction labour force and, fab this year towards identifying the industry more clearly.

Cause for concern

This Report was written by Roy Hodson

Buoyant

Specify Steel Structures

British Steelwork

is now readily available for home and overseas markets for:

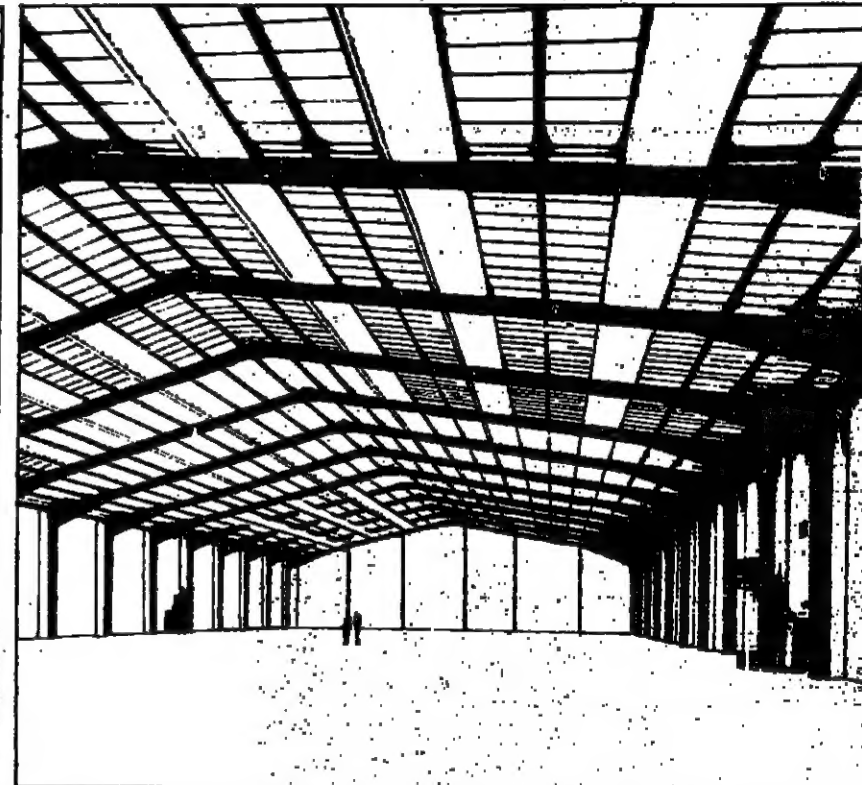
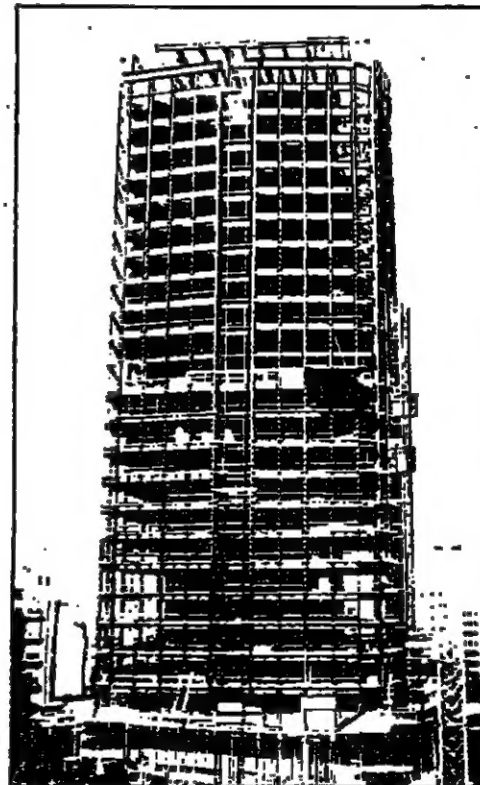
Factories; Storage and Distribution Centres; the Oil Industry Onshore, Offshore; Bridges; Schools; Hospitals; Port and Airport developments; Defence Installations; Power Stations; Transmission Towers; Sports Stadiums; Agricultural Buildings; Hotels, Apartments and Offices; Renovation and Restoration Works.

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BCSA

BRITISH CONSTRUCTIONAL STEELWORK ASSOCIATION

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Technical progress

ONE of the current strengths of the British constructional steel industry is the close relationship it enjoys with the nationalised major national steel producer, the British Steel Corporation. That is a fact which is freely acknowledged even by the most free-wheeling of private sector companies within the industry.

It stems from two initiatives on the part of the BSC. The first is the Corporation's strategy of making and carrying a wider and more comprehensive range of steel products suitable for structural steelwork than do most of the Continental mills. The British companies acknowledge that the quality is often superior as well. As a result British construction steelwork companies can often design lighter and consequently cheaper structures for a building from the steel available to them than their overseas competitors can attempt.

Initiative

The second BSC initiative is in technical and commercial collaboration. In 1971 the BSC established the Constructional Steel Research and Development Organisation (called Constrado). Since then the organisation has been playing an important part in the effective usage of the 20 per cent of BSC home deliveries (some 3m. tons a year) which go into construction. Constrado is also very active as a link between BSC and the construction companies in backing export business.

Finally, BSC is tuning in to market trends by means of frequent discussions with the British Constructional Steelwork Association. The Corporation is building up a stockpile of semi-finished steel with the help of Government financial backing. Both sides of the industry are anxious to ensure that rolling programmes from that steel can be so geared that there will not be a shortage of steel for constructional work when the next upturn in demand comes. It is likely to be a sudden and dramatic surge in demand which can only be properly matched by the BSC and the steelwork companies if considerable pre-planning is carried out.

The importance of Constrado to the steelwork companies is that it relieves them of a heavy overhead as well as providing that vital link at technical and commercial levels between them and their major supplier of steel. Construction is a competitive market. The rival concrete sector is spending some £3m. a year on market development work. It is vital for the steel construction firms that quality of service, physical properties and surface conditions and dimensions of steelwork all be continuously improved. Constrado is their safety net.

Nearly half the several thousand technical inquiries that Constrado now receives each year come from architects and consulting engineers. They range from simple inquiries on steel qualities to involvement in the design of complete structures. Meanwhile the organisation is writing codes of practice for U.K. and European requirements, is working on computer-aided design development and is sponsoring research on structural problems.

While Constrado is performing advisory, educational, and design development functions for the entire constructional steel industry, all within a budget of under £500,000 a year, there is a general recognition within the industry that more primary research is needed into structural steelwork questions. The companies themselves are, by and large, still too production-oriented.

However, radically new techniques are finding their way on to the constructional steel scene via some of the most progressive firms. Computers are rapidly becoming an integral part of the industry, for instance. Programmes are now being used that will design a structure of a given type for a specified loading. Programmes are also being used that will instruct a plotter linked to a computer to make the drawings for the workshop and the site.

For straightforward details such as would be required for the beams and stanchions of a multi-storey building, data can be punched into tape which will automatically operate the cut-

ting and drilling machines in the workshop.

Desk top computers which accept programmes written in standard computer languages are now becoming available at prices equal to the annual salary of a draughtsman and his overheads. They are as powerful as major computers used to be only a few years ago, and many people in the industry expect that every competitive design office will have one within the next few years.

Robert Watson and Company (Steelwork) of Bristol is a company which has gone a long way along the road towards computerising the design, pricing and estimating of industrial buildings. Over the last six years managing director Bernard Shuttleworth has been building up the necessary programmes on a time-shared computer. His system provides answers within a few minutes of feeding in the overall parameters of a proposed building. The computer gives customer prices for builders' work, steelwork and cladding, and will tell the steelwork company how much steel is needed, how much

drawing office time is involved, the cost of works processes, cartage to site, labour costs for erection, etc. Mr. Shuttleworth estimates that by using the computer programmes for estimates for specific types of single-storey buildings his company can save the client 10 per cent in professional fees.

An important bonus factor in that method of computer estimating is that the computer can, also within a matter of minutes, produce a number of alternatives for the client so that an easy comparison can be made and a final decision upon the most suitable form of building arrived at quickly.

Impact

A technical development which has had a big impact in Britain recently has been the use of Cor-Ten, the weathering steel which was originally developed by the United States Steel Corporation and which is now made in Britain by BSC. There are now over 30 bridges in Britain completed or under construction in Cor-Ten. They range from a footbridge, across the lake at York University, to

the big Findhorn bridge being erected near Inverness. Cor-Ten, and similar weathering steels, arouse strong feelings. Some condemn them as resulting in what look like rusty structures. But it is now more than ten years since it was first demonstrated that bare oxidised steel surfaces could be used for architectural expression. The Cor-Ten process ensures that an even oxide coating is formed which acts as a protective film so that the rate of corrosion eventually reaches a negligible level. No conventional protective painting or galvanising is necessary.

Another recent development in Britain has been the wider use of space frame type structures for arenas and halls. The most noteworthy recent example has been the National Exhibition Centre at Birmingham, opened earlier this year, where columns at 30-metre centres are linked together by lattice girders between which are suspended the space frames. There are six buildings, providing 39,000 square metres of exhibition space.

Finally, the constructional steelwork industry is making

strides to keep architects, engineers and its members informed adequately of advances in design practice and materials. A second edition of the manual of structural steelwork detailing has recently been prepared by the BCSA. Replacing the 1973 edition, it takes account of alterations to British Standards and of technical developments that have taken place during the last three years. For example, the requirements of the new steel welding standards are covered in it.

The Institution of Structural Engineers has been giving much thought to the necessary criteria for ensuring that modern buildings are strong enough for their jobs. The result is the publication of a new institution report called 'Criteria for Structural Adequacy of Buildings'.

This new report is seeking general criteria for structural adequacy whereby the designer will be able to satisfy himself, not only that his structure will support loads caused by normal function, but that with "reasonable probability" it will not collapse catastrophically through misuse or accident.

Platforms and bridges

IT HAS not been an easy year for the companies concerned with building the largest structures tackled by the industry, namely offshore rigs and platforms and major bridges. In both areas there has been a steady decline, and the absence of new orders is now causing serious concern.

Neither at home nor abroad are there real prospects of an upturn in orders for offshore work or bridge-building. Instead the prospect is of a continuing famine which could seriously affect the ability of some companies to hold together their workforces and disperse teams and maintain their present fabrication centres.

"We are all hungry for orders now" said one offshore platform builder, while in the bridge sector Redpath Dorman Long, the construction subsidiary of the British Steel Corporation, takes a gloomy view of the world-wide prospects for new bridge orders. Urgent representations are being made to the Government to do what it can to secure the maximum continuity of work for British companies in both offshore work and bridge work, both to maintain the viability of the companies concerned and to ensure that the industry will not be so stripped down as to be unable to cope when a new round of ordering begins.

Longest

With work now advancing quickly after long setbacks with the foundations, the world's longest suspension bridge over the Humber estuary is beginning to take shape. Completion is expected in 1978 or 1979 now that the difficulties of finding solid foundations for the towers on the south bank have been overcome. The British bridge industry rightly looks upon the Humber bridge, which will have a span of 1,401m., as the best advertisement it could have for world leadership in this type of structure. The hope must be that orders from other countries will follow its completion. Redpath Dorman Long are proceeding with the steelwork of the deck sections so that they will be ready and the final assembly stages of the bridge can be completed according to a tight programme as soon as the two towers are handed over.

There will be 16,500 tonnes of steel in the decking and another 11,000 tonnes in the main cables. The deck structure is to be suspended from the main cables by inclined high-tensile steel wire strands. The system has been designed to absorb energy and to help to damp down movements caused by high winds.

Not far from the Humber site Redpath Dorman Long have nearly finished an important motorway linking the bridge over the River Ouse. That is a combined viaduct and bridge over a flood plain. When opened in May it will complete the M62 east-west motorway link through the industrial north and open up new commercial opportunities between the ports of Liverpool and Hull.

A third major British bridge project going ahead is on the Tyne, where work has begun on building the new Metro Bridge between Newcastle and Gateshead. The £5m. contract is in the hands of a consortium of Cleveland Bridge and Engineering Company and Cementation Construction. This is to be a 352m-long continuous through truss bridge.

The Findhorn bridge near Inverness, part of the A9 trunk road, is likely to be finished in the autumn.

The structural steel companies now hoping that a big new road bridge proposed for Kessock in east Scotland, which is being given some priority because of the North Sea offshore development programme, will be designated a steel bridge. Apart from that possible contract the home market for the bridge-builders offers a depressingly low diet of motorway bridges and railway improvement schemes.

The British Constructional Steelwork Association has prepared a case to put to the Government that the trunk road and motorway programme should include a higher percentage of steel bridgework. The Department of Environment roads programme has suffered in the Chancellor's recent proposals for cutting public sector spending. The steel constructors are asking that those structures already specified in steel shall not be subject to alterations in the programme, and that the structures which will go ahead but are not specified as steel should be open to fair competition for the steel companies. In assembling its submissions the BCSA comments "The available export market cannot in itself support a viable U.K. steel bridge industry because the major structures involved do not provide an even base load of work."

Discontinuity of employment, it warns, must therefore result if work is not maintained in the home market. The British bridge-builders expect new opportunities eventually in overseas markets as developing countries concentrate upon expanding and improving their infrastructures. The British Insulated Callender's Cables subsidiary, Painter Bros., has, for example, recently won a contract for building bridges of standard design in Indonesia.

Worse

After a party of construction steel executives from the Benelux companies visited Britain recently, they concluded that their own order books were in worse shape than in Britain, although Holland, like Britain, is heavily involved in the offshore oil business. That was cold comfort for the British companies concerned with offshore fabrication. The industry estimates that new orders this year for the North Sea will amount at best to three new structures and at worst to only one. As there are five yards building in concrete and four building in steel, the competition is intense. It is not even certain that those orders will go to British yards. They could be won by Holland, France or Norway.

The industry finds it particularly galling that the offshore work has dried up at this point. In the earlier days of the North Sea exploration builders were criticised because of delays to construction time-tables. But the level of technical competence has risen sharply as the constructors have built up a body of knowledge about the work.

Platform design, meanwhile, has raced ahead to cope with the needs of the deepwater fields north of Scotland. Exxon, for instance, is experimenting with a one-fifth scale model of a rig, which would be a tethered steel structure for use in depths of up to 2,000 feet. The principle is that it can move

with the waves and cut down imposed stresses. When choosing between concrete and steel structures a number of factors come into play, but an important plus factor for steel is that the platforms can be built in docks without deep-water channels to the sea. They are floated out and then sunk. The concrete platform needs deep water from the point of construction.

In offshore work the industry's main hope for new contracts this year is that some sub-contract work will become available later in the year. It is expected to arise from steel platforms and modular ordered in the second half of the year. Short delivery dates for those new structures will be required by the oil companies. A temporary rush of sub-contracting work is likely to result as the involved with offshore activities have to cope with a sudden demand.

In assessing the likely impact of the overall shortage of off-

shore work compared with the boom period of recent years, the constructional steel industry takes the view that the slow-down in demand for offshore fabrications will cause a "ripple-back" through the business. Firms directly involved in sub-contracting for offshore work will obviously be affected. But the impact will also be felt by contractors outside the structural steel industry who set up facilities specially to produce structures for offshore oil and gas. There is some concern within the constructional steel industry that the civil engineering back-log of those contractors may encourage some of them to attempt to enter into competition for structural steelwork not work is likely to result as the involved with offshore activities have to cope with a sudden demand.

Thus an already overcrowded market for structural steelwork could, become even more subject to competition.

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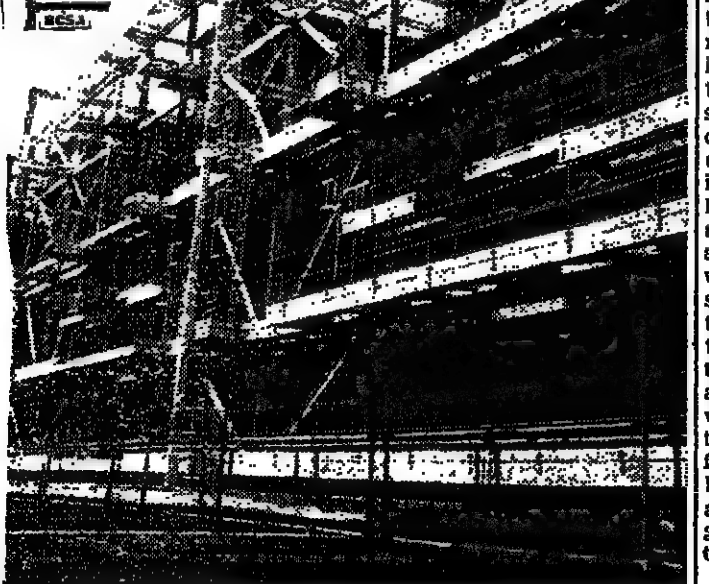
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Building and Civil Engineering

151m. office extension

OFFICE building and link connecting with the existing Welsh Office building in Park, Cardiff, is to be built by Sir Robert McAlpine for the Welsh Office. The contract is for 151m. It will rise 30 metres above the existing building and will be of reinforced concrete frame construction clad with Portland stone. It will include an 8-metre basement area, provision for vehicle parking and a total floor area of 78,000 square metres. It will include air conditioning and heating will be provided. 18 lifts installed. Work is now starting. Completion is expected in 18 months.

Industrial contracts to McAlpine

GUEST of three large contracts totalling over £10m. recent days by Sir Robert McAlpine and Son is the £7.5m. contract of raising the Grimsby and the enlargement of its service.

The height of the existing 17th dam at Grimsby, Yorkshire, will be raised from 26 to 30 metres and capacity will go up 9,000 to 11,000m. litres.

Works comprise an embankment with rolled clay core, a new valve, ballmouth spillway and a river diversion tunnel.

Completion will not be until 81 but then there will be enough capacity available to provide a day for release into a river Wharfe for abstraction other downstream.

On Merseyside the company is carrying out the first phase of shipbuilding works modernisation project to cost more than £5m. Wickers is to have a new steel-framed plate preparation shop which will be 178m long by 30m wide. There will also be rail sidings, concrete roads, heavy machine foundations and the associated drainage.

The work is expected to take 18 months.

£4.6m. Dover hoverport project

DOVER Harbour Board has awarded the contract for construction of a new international hoverport to Mears Construction.

The £4.6m. contract calls for the reclamation of 15 acres of land including the formation of a concrete ramp and a concrete channel 500m long and 10m deep. It will also include 62,000 cubic metres of filling and 26,500 cubic metres of concrete will be needed.

The hoverport is required to accommodate enlarged hovercraft to be introduced on cross channel services by British Rail Hovercraft and French Railways. Reclamation work and ramp are due for completion on July 1, 1977.

Reservoir in Sussex

THE Southern Water Authority has accepted a tender of about £2.3m. from Shepherd Hill and Company for the construction of an Ardingly Reservoir on the Shell Brook near Haywards Heath, Sussex.

An earth dam will form a reservoir of 4,700m. litres capacity, which will enable the flow of the River Ouse to be regulated so that the yield of the Mid-Sussex

Water Company's Barcombe works can be increased by 30m. litres per day. The dam will be 17 metres high and 300 metres long.

The contract is due for completion in 1978 and impounding of water in the reservoir is programmed for the winter of 1977-78.

Consulting engineers to the Southern Water Authority for Ardingly Reservoir are Rofe, Kennard and Lapworth.

Telephone exchange extension

COSTAIN AUSTRALIA has been awarded a £54m. contract by the Australian Telecom Commission to build an extension to Haymarket telephone exchange in Sydney.

The 14-storey building will be of reinforced concrete construction with claddings of pre-cast panels with louvres and aluminium windows. External works include a car park and landscaping.

Work is expected to be completed in November, 1977.

Laing wins two housing contracts

TWO large London housing contracts have been awarded to John Laing.

The biggest, worth £2.1m. is for flats and maisonettes for the London Borough of Islington.

Work has started on the units which will be in three and four-storey blocks on two sites about 300 yards apart in Bavaria Road and Simmons House.

The other contract worth £1.3m. is for the first phase of a housing development at Feltham, Middlesex for the London Borough of Hounslow.

Eighty-eight two and three-storey dwellings, comprising houses, bungalows for disabled persons, maisonettes and flats are called for. Work on the site, formerly a disused gravel pit in Bedford Lane, just south-east of London's Heathrow Airport, has started.

Active in the City

FIVE City of London companies have together commissioned £11m. worth of contracts from Cubitts General Contracts which specialises in refurbishing, renovating and fitting out of commercial premises.

Stewart Wrightson is spending £750,000 fitting out its new eight-floor head office in Cannon Street, Bishopsgate, while at 66, Mark Lane, the Bank of Bumiputra, Malaysia, Berhad has contracted for a £100,000 interior renovation.

At the Bank of New South Wales Cubitts is to prepare the housing for a computer at a cost of £150,000 and is refurbishing premises for the Bankers Trust Company at 81, Southwark Street, for another £110,000.

Cubitts is also to refurbish premises for Banca Commerciale Italiana in Gresham Street, London, at a cost of £186,000.

Bowey Group contracts

CONTRACTS worth more than £1.3m. have been awarded to the Bowey Group.

Ralph Bowey and Son, the main building company has won work worth more than £894,280. The work includes aged persons' homes at Percy Mains, Northumberland, for the Anchor Housing Association (£283,600), flats at Thornaby, Cleveland, for Stockton Borough Council (£112,960) and flats at Glebe House, Washington, Sunderland, for the Cheviot Housing Association (£21,600).

William T. Wallace and Son, the group civil engineering company, has won work totalling more than £317,000. and internal

Building Services, the ceilings and internal services subsidiary, has added £190,380 to the order book.

Small contracts won by other subsidiaries bring the total to over £1.37m.

Holst to erect big chimney

A 90 METRES high reinforced concrete chimney is to be erected at the Avonmouth, nr. Bristol, works of Commonwealth Smelting. The £147,000 contract has been awarded to Holst Wales.

The chimney will have an external diameter of 7.5 metres at the base tapering to 4.2 metres at the top and will be cast in-situ using Holst's sliding formwork technique—a system by which concrete is poured continuously while formwork is advanced by means of jacks.

Busy time for Searson

SUBJECT to Department of Environment approval, C. C. Stafford, a member of Searson Construction Holdings, is to build 268 dwellings at Ashfield, Notts., for Ashfield District Council. Value of this contract is £2.3m.

This is the largest of a number of recent awards to various companies in the group. Other large contracts are for dwellings at Holmes Hall, for Chesterfield Borough Council, which are to be built at a cost of £2.1m. also by C. C. Stafford, and for 276 dwellings at Beaumont Leys for Leicester City Council, costing just under £2m., which are to be built by J. Searson.

Several other smaller contracts won by group members bring the total to over £11m.

Southwark's second big housing job

FOR THE second time in a month the Borough of Southwark has awarded a major housing contract to Southwark Construction, the joint contracting organisation formed by the Borough's Direct Labour Department with management and consultancy services supplied by Bovis Construction.

Even larger than the earlier one at £6.9m. against £6.6m., it involves the construction of 356 dwellings in 22 blocks on a 3.5 hectare site off Newington Butts, close to the Elephant and Castle shopping precinct.

The two existing dwelling

blocks there are to be rehabilitated to provide a further 45 homes. The overall scheme will include three semi-detached car parks and four shops, together with a community building and boiler house which will supply district heating.

The scheme is planned for completion in the autumn of 1978 and the dwellings will be contained in two and three-storey blocks, with load-bearing brickwork, concrete foundations, in situ floor slabs and pitched roofs.

Southwark Construction is administered by a resident general manager, who is assisted by a management surveyor. Both have been seconded from Bovis Construction but have now been with Southwark Construction for seven years. They are concerned with the administration of Southwark Construction, who employ approximately 80 council officers and 350 operatives.

entrance into the new Eldon Square redevelopment. Work will take about 2 1/2 years to complete.

In New Zealand Cementation has been awarded a contract worth NZ\$1.6m. (about £1m.) for the sinking of a 240 metres deep shaft, six metres in diameter and concrete-lined at Huntly, for the Ministry of Mines.

The work will be carried out in association with Green and McNeill (Contractors) Cementation's partner in an earlier contract for driving two inclined drifts each of 1,000 metres length.

Sudan road network

SIR M. MacDonald and Partners of Cambridge have been appointed consulting engineers for design and supervision of construction of a road system to be built in connection with the Rahad Irrigation Project in Sudan.

The appointment follows a transportation study prepared in association with Rendel, Palmer and Tritton for the Rahad Corporation.

The road network will include about 105km of two-lane spine road, 88km of single lane feeder roads, a bridge over the Rahad river and minor structures at intersections with canals and drain channels.

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Office block at Gatwick

A TWO-STORY office block, boiler house, service building and adjoining roads are to be constructed by Marples Ridgway Building at London's Gatwick Airport. This contract, worth £1.4m., is part of the first stage of expansion of the cargo areas.

The office building will be of in-situ concrete construction with precast concrete cladding panels.

The boiler house will be a structural steel framed building with precast concrete floors and roofs.

Two awards to Mowlem

HOUSING contracts together worth more than £10m. have been awarded to Mowlem.

The largest, for the Greater London Council, is for 414 flats and maisonettes in 19 two to five-storey blocks at Bels Green Road, Southwark.

The other is for 358 two and three-storey dwellings at Turnford Springs, Herts, for the Borough of Royston. These will be constructed using the Mowlem rationalised traditional method of construction.

The contract awarded by Bramley Consolidated Developments of Toronto has just been started, and is due for completion in two years.

£1m. worth in Canada

GEORGE Wimpey, Canada, has won a contract valued at \$21m. (£1.1m.) for the development of a private housing estate at Pickering, Ontario.

The contract awarded by Bramley Consolidated Developments of Toronto has just been started, and is due for completion in two years.

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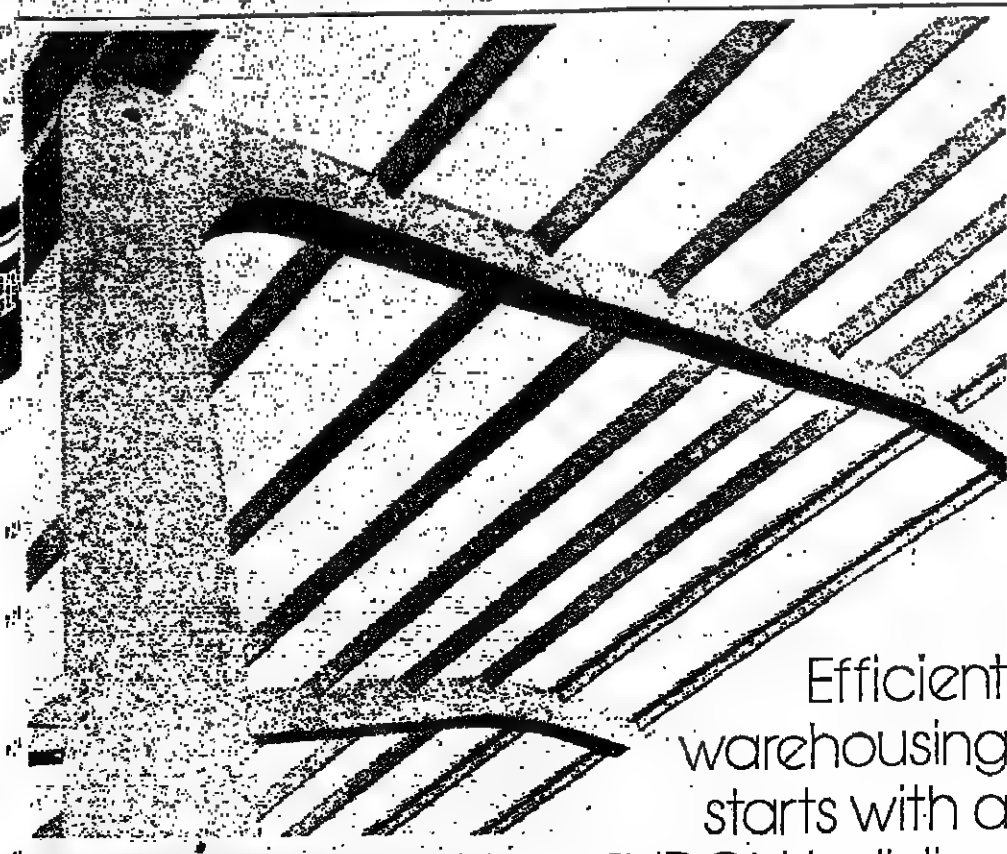
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IN BRIEF

- Henry Boot Construction has been awarded a £1.3m. contract for the construction of a divisional police headquarters in Grey Mare Lane, Manchester.
- W. H. Wood (Hastings) has won two contracts—flats at Thicket Road, Bromley, Kent, for the Nexus Housing Society (£273,970) and a fire station at Hastings, Sussex, for East Sussex County Council (£256,326).
- The Royal Institution of Chartered Surveyors has published a book outlining the role of the building industry in France. It is especially meant as a guide to anyone contemplating construction work in that country. Copies are obtainable from the Institution at 12, Great George Street, London, SW1P 3AD, price £5.50. (£4.50 members.)
- A £1m. contract has been awarded by Gillingham Borough Council to FPA Finnegan for the erection of houses and flats at the Banky Fields development at Rainham, Kent.
- Walter Lawrence (East Anglia) has been awarded a contract worth over £285,000 to build a Territorial Army and Volunteer Reserve Centre at the Blenheim Camp, Bury St. Edmunds, Suffolk.



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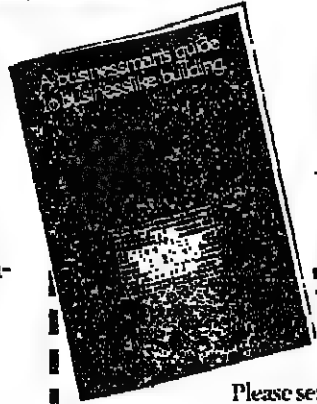
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MONDAY, MARCH 22, 1976

Majority rule comes first

IN DECIDING to make a statement on Rhodesia today, Mr. Callaghan has reversed his initial judgment. When the talks between Mr. Ian Smith and the African Nationalist leader, Mr. Joshua Nkomo, were broken off on Friday, the immediate reaction in the Foreign Office was to speak of an adjournment, not a breakdown. Mr. Smith would be allowed to "stew in his own juice" for a while, in the hope that the realities of the situation would quickly bring him to his senses. The British Government would go in for a period of masterly inactivity, or at least do nothing.

Act V

Three factors have changed this assessment. The first is that African leaders, both inside and outside Rhodesia, tended to regard the breakdown as total and, in effect, the signal for war. The second is Mr. Smith's own appeal for British intervention. The third is the attitude taken by Mr. Maudling and other Opposition leaders who described Mr. Callaghan's approach as "wholly negative". All of these factors are valid reasons for the Foreign Secretary's change of mind. The African reaction is clearly crucial: there can be no Rhodesian settlement without the support of the Blacks, and that includes at least some of Rhodesia's Black African neighbours. Mr. Smith's appeal has to be taken into account because, whatever he may say about no majority rule within a thousand years, he is now plainly a very worried man. And Mr. Maudling had to be listened to not only because, in this case, there was something in what he said, but also because the risks of Rhodesia becoming a major political issue in this country are very great.

Mr. Callaghan, therefore, has decided to announce what, however conditionally, will amount to a new British initiative today. Yet it is important to remember that although the

situation has become much more dramatic, nothing essential has changed. We have moved over the years from Act I to Act V, but there are still only two possible denouements. The first is for Mr. Smith and his supporters to agree to a transfer of power to the Africans in the nick of time, and the second is a guerrilla war which, sooner or later, White Rhodesia would inevitably lose. Anything Britain can do will have to be directed to promoting the first alternative, but this country's powers are very limited. Mr. Callaghan can point out to White Rhodesia, yet again, the serious consequences of refusing to settle while there is still a chance. He can ask Mr. Vorster, the South African Prime Minister, to do the same. He can offer compensation to Rhodesia's minority and financial aid to its majority, though both should preferably be done on an international basis. (After all, if there is international aid to Mozambique to help bring Rhodesia's White regime down, there should at least in theory be no shortage of aid to build its economy up again.) Finally, Mr. Callaghan can—just—offer Britain's good offices in the negotiations which would be needed to bring about an orderly transfer of power.

Vacuum

It is this last point which matters most. Such an assurance of British participation in negotiations can be given only if Mr. Smith first makes an unambiguous statement conceding that the Rhodesian Government will give way to majority rule. The time scale can be discussed, though a transitional period of anything longer than two or three years would seem to be out of the question. The details can be negotiated. But if Mr. Callaghan deviates one jot and offers more than he can deliver—for example, a commitment to fill the power vacuum while negotiations take place—he will be in trouble, and Britain with him.

Managers for the public industries

THERE ARE few more urgent tasks facing the Government in the field of industrial policy than that of getting relationships with the nationalised industries on the right footing. The impending departures of Sir Richard Marsh of British Rail and Sir Monty Finniston of British Steel, both of whom were announced last week, serve to underline how unsatisfactory the present situation is. For whatever the personal deficiencies of these two men and whatever errors of tactics they may have committed, both have struggled hard to run their businesses efficiently: their attempts to do so have been made virtually impossible by interference from Whitehall. To work for loss-making enterprises at unattractive rates of pay is bad enough; when, on top of that, the manager's authority to run the industry is undermined by Ministers and civil servants, it is hardly surprising that candidates for the top jobs are difficult to find.

Price restraint

Fortunately the disastrous effects of artificial price restraint have now been recognised by the Government. But even if this particular form of intervention is removed, there is a great deal more to be done before the State corporations have a chance of becoming viable enterprises.

The first priority is to re-introduce a system of financial targets, based on an appropriate rate of return on the assets employed. Given the monopoly power which most of the State corporations enjoy, and hence their ability to raise prices irrespective of market conditions, there is a strong case for accompanying these targets with other tests of efficiency, such as output per man and output per unit of capital. In several of the industries it is possible to make valid international comparisons of efficiency (as Sir Monty Finniston has done to good effect in the case of steel) and these should be used as checks on how well the managers are performing.

The second and more difficult issue is the possibility of a new

set of rules which would regulate the relationship between the State corporations and their "sponsor" departments in Whitehall. As long as the Government is providing most of the funds, there have to be arrangements for monitoring the use that is made of the money—somewhat along the lines which the National Enterprise Board is following in dealing with its subsidiaries. There is some merit in formulating and publicising as precise a set of rules as possible. It might deter Ministers and officials from at least the overt forms of pressure on nationalised industry management.

Yet because the corporations are so large and operate in such sensitive areas of the economy, the tendency to intervene, for political or social reasons, will persist. It is difficult to avoid the conclusion that the only effective way of dealing with the problem is through partial de-nationalisation. While some State enterprises, notably the railways and the postal service, may remain permanent pensioners, there is no reason why most of the others could not eventually raise both equity and loan capital from commercial sources. A "BP solution" once procured for the British Steel Corporation, would have the twin advantage of imposing greater commercial disciplines and reducing the scope for Government interference.

Efficiency

The political objections to such a course might seem insuperable, but there is a growing view that the present status of the State corporations is not only inimical to efficiency (in the supplying industries as well as their own), but to the other objectives, such as worker democracy and social accountability, which the Labour Party and the trade unions are pursuing. More people, even on the Left, now acknowledge the failure of public ownership to achieve the social and economic goals which were once claimed for it. Other ways in which these goals might be achieved must be considered.

ICL's takeover of the international side of the U.S. Singer group's business machines division highlights a sector of the computer market which has been receiving too little attention. Christopher Lorenz examines an important trend in automation.

The computer enters a new space era

THE news that International Computers is taking over the 572m-a-year international side of the U.S. Singer group's business machines division caps three months of upheaval at the bottom end of the computer market, a sector which up to now has not received the attention it deserves.

It may seem surprising that ICL can enlarge its base of computer customers by 2,000 or almost two-thirds, and considerably strengthen its European presence just by acquiring an operation whose name is most closely linked with sewing machines. But the move should improve ICL's position vis-à-vis IBM and a host of other competitors in the markets for so-called small business systems and intelligent terminals. This will be true even if not all the Singer customers convert to ICL products—the main aim of the exercise—and even if (as seems likely) the British company does not continue for long with two of Singer's three product ranges—point-of-sale terminals and the System 10 small business computer.

To most people, the word "computer" conjures up a picture of large, air-conditioned rooms full of processors and memory power worth hundreds of thousands or even millions of pounds. This is partly a hangover from attitudes fostered in the late 1960s, but it also springs from the lingering pre-occupations of governments, stock markets and much of the Press. Almost every widely debated "issue" in the European computer industry over the past 18 months has pivoted on medium-sized or large machines: the collapse of the Franco-German-Dutch "Unitas" alliance, the ensuing marriage between the French and the U.S.-owned Honeywell groups, the talks between Germany's Siemens and Fujitsu from Japan—not to speak of ICL's famous "New Range".

Slightest flickers

By contrast, it was difficult to drum up much general interest in a recent extension to ICL's range of small 2903 computers (to which it now hopes users of Singer's System 10 will gradually shift), or in Honeywell's re-entry into the so-called "naked minicomputer" business. The opening of new plants in Scotland and France by Digital Equipment Corp. ("DEC"), the world's leading minicomputer company, and even Siemens' link with the originator of "microprocessors," the California-based Intel, created only the slightest flickers of general interest in the business community.

All these events have taken

place this year. And each of them is just as significant as the ICL-Singer deal in underlining the most important trend in automation since the original development of computers a quarter of a century ago. At its most basic, the trend stems from the concentration of ever more processing and memory power into an ever smaller space, and at an ever decreasing price—a process which is continuing. As a result, computing technology is now being applied in a wide variety of circumstances where it has never been physically or economically possible before.

One of the best examples of this is the price history, illustrated in the graph, of Digital Equipment's PDP 8, introduced in 1965 and one of the world's first minicomputers. At one level, this trend means it has now become economic for companies with less than 100 employees to instal a small computer system for applications such as payroll processing and stock control which have long been carried out by computer in larger organisations. Another, it is bringing automation to completely new applications in organisations of all sizes—covering areas such as health, printing, communications and even chicken farming.

Some leading industry executives claim that only 5 per cent. of potential computer applications have been made so far. Paradoxically, Univac, like ICL, is one of the manufacturers which even now has still to capitalise on the markets for very small and mini-computers, which is where many of the new applications will be made.

The bottom end of the computer business has far outperformed the market as a whole in the last three years, and has provided almost all the industry's real growth during the current recession (though the

market for very large machines has also performed well). Data General, which ranks fourth in the world-wide minicomputer league after Digital Equipment (DEC), Hewlett-Packard and IBM (see table), reckons that the international market for minicomputers has multiplied 15 times over the past ten years, reaching \$1.5bn. last year. It says the "general purpose" market little more than doubled to \$8bn. and is now growing at only 8 to 10 per cent. a year, compared with 30 per cent. for minicomputers.

Luckily for the makers of traditional, "general purpose" computers—such as ICL—it is not just the minicomputer market which is growing rapidly. The level above it, the so-called "small," or "small business system," or "office computer" (depending on your choice of jargon and the market position you have to defend) is also in strong demand. Definitions of what constitutes a small computer system vary. ICL, for example, would set the ceiling above a purchase cost of £150,000. But a more widely accepted classification is less than £25,000 or so.

Electronics magazine estimates that the U.S. market for such systems increased in value by about 22 per cent. last year, to \$1bn., compared with a fall of 12 per cent. in the market for all sizes.

Seen another way, the magazine suggests that U.S. sales of small and minicomputers increased by \$275m. in 1975 while the rest of the market was falling back by over \$500m.

In common with the rest of the electronics industry, it foresees a recovery higher up the market scale next year, but its forecasts underline the structural change which most people consider is under way: small and minicomputers will

account for about 40 per cent. of the entire U.S. "systems" market in 1978—excluding peripherals—and terminals—compared with only 28 per cent. in 1975, it says.

One of the main assumptions behind such forecasts is that the price level for a given level of computer performance will continue to fall. For example, a mass-produced semi-conductor memory "chip" which cost \$75 in 1970 is already down to an average selling price of just under \$6, and is expected to fall to less than half that in three years' time. Another forecast is to fall from the current \$15 to little over \$5 by 1978.

That these developments are so confusing is due to a combination of factors. First, there are at least 60 minicomputer makers in the world, and about 23 microprocessor manufacturers, compared with under a dozen significant names in the "general purpose" field. So competitive claims and counter-claims are far less easy to follow. This may partly explain why government officials all over Europe (with the exception of France) have, until recently, been concerned only with meeting the challenge of IBM in general purpose computing and have disregarded almost every other sector, including minicomputers.

The second source of confusion is that the advances in technology, and the level of diversification achieved by certain companies, have begun to break down the barriers between different segments of the market. So certain sorts of companies are beginning to compete more with each other. Thus, as Digital Equipment strengthened its presence in the general purpose field in January with a new line of machines (in competition with the likes of IBM, Honeywell,



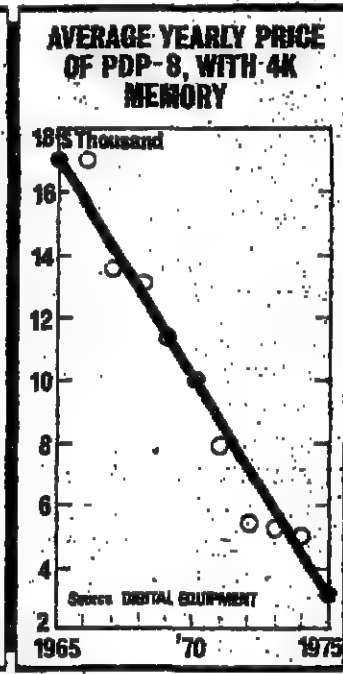
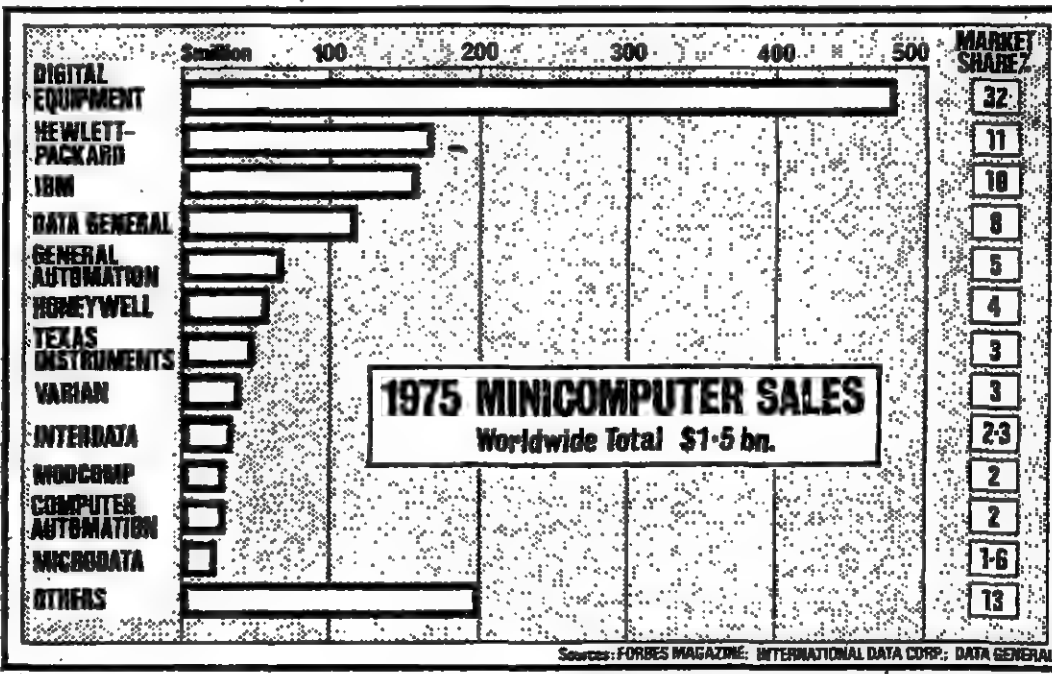
M. Jean-Claude Peterschmitt, Digital Equipment's European president: "Anyone's processor will increase become a collection of microprocessors," he says.

Univac and ICL) so both IBM and Honeywell are plunging further downwards into the minicomputer field. And, below the minicomputer level, Data General has started making its own semiconductor, including both memory components and logic circuits, while several semi-conductor makers are following the lead of Texas Instruments upwards into what could be called mini-systems.

Integral part

The third, and most fundamental, problem is perennial to the computer industry—jargon and terminology. Apart from the experts' own discussion over the borderline between a small and a mini-computer, what on earth is a "naked mini," and what is a "microprocessor"? Small computers, or "small business systems," is the name generally given to compact but complete systems which include the processor, memory and applications software, if not peripherals as well (such as printers and visual display terminals). As such, the term embraces the "office computer" segment served by companies such as Nixdorf and Philips, as well as larger and more general purpose systems from companies like IBM and ICL. They usually, though not always, operate on a "stand-alone" basis, in contrast with "com-

Lastly, there is the processor, introduced five years ago, it is little more than a chip—convenient and as little as half an inch long. This is the product excellence which will automatically lead to a wide range of new applications. In fact, "anyone's processor" is increasingly becoming a collection of microprocessors, as to M. Jean-Claude Peterschmitt of Digital's European operations. But this has opened the way for the conductor firms which minicomputers compared the sale of "naked" computers. This, in turn, is the reason why the last moving more into systems, and into the hands of the general purpose users. The strategy of major companies for the years of struggle was examined in a second ar-



MEN AND MATTERS

Cork's French connection

A small deal just done between a British company, Plantation Holdings, and the receiver of a French business is intriguing and ironic. The irony first: the deputy chairman of Plantation Holdings is none other than Kenneth Cork, probably our own best-known receiver and unrivalled in the number of distressed companies under his charge.

Now for the deal. Under French law, a receiver may lease the assets of a company in his hands, with the option of negotiating for its acquisition in full at the end of a lease. A concern that has found itself in this position is Société Gerard, based in the Paris suburbs and supplying precision sheet metal products to the electronic and associated industries.

Gerard is a long-established family concern with a turnover of about the equivalent of £500,000. Plantation Holdings whose name belies the fact that it's now a diversified group with its principal activities in light engineering, has been looking for ways to expand the European business of its U.K. subsidiary Imhof-Bedco, also in precision sheet metal work.

PH has been anxious to avoid many of the pitfalls of Continental manufacturing subsidiaries encountered by some British companies. Gerard seems the ideal solution. There is an 18-month to two-year rental agreement, ample time to learn first-hand about the market, and PH will only have to fund working capital requirements, amounting to about £300,000 this year.

PH clearly has quite a lot of faith in Gerard, as the managing director of its new Imhof-Bedco offshoot in France will be Claude Soffre, who was called in by the Gerard family to try



"The question is, shall we see them hit in our lifetime?"

to sort out their ailing company some four or five months ago. The French receiver had already cut Gerard's workforce by half to some 40 people. A possible pitfall, which no doubt Cork will be watching with wide interest, will be the morale and attitude of the remaining Gerard staff. How are they likely to take their semi-peripatetic? Anthony Franks, PH finance director, says: "I'll tell you in a couple of years what the answer is."

Meaningful

Motor industry jargon is getting out of hand. The other day I heard that Vauxhall has invented a new system of judging its own production and marketing performance. If specific activities reach or exceed targets they are given an "up arrow". If they fall below they get a "down arrow", and, as if that were not enough, a break-even position

is described as a "coasting ball".

The prize must go, however, to the more inventive linguistics of our largest subsidised car manufacturer, British Leyland. This company, apparently, no longer sacks people or makes them redundant. They are "dehired". Such euphemisms may possibly have a future: could we be hearing about "deprofits" in the future?

The fire race

Why should a couple of fire engines be due to race each other round various motor racing circuits in May? The answer, of course, is publicity, but in a somewhat unusual cause. Dennis Motors of Guildford, part of David Greaves's Hestair group, specialises in public service vehicles. These include fire engines, but the company has been worried about being priced out of the market.

So, after its prices "F" and "D" ranges of water tenders, Dennis is about to go into production with a new "R" series John Hood. Dennis's works director, says the important thing about the new machine is that its cab and body will be in separate units to make for easy maintenance, and performance with either Rolls-Royce or Perkins engines will be enhanced by "massively improved brakes".

Fire engines need to be rather exceptional vehicles. The standard water tender carries 400 gallons of water, should be capable of high speed—and, most important, the engine must be able to start without trouble and work flat out straight away. An additional factor in recent years has been that of colour. A university report found that yellow rather than red would be a better fire engine colour, though it seems a pretty impractical hue for grubby fires. The

Home Office officially approves of post office red—not the old fire engine red—but some brigades now favour fluorescent red despite the fact that it's tricky to apply and maintain.

Dennis's opposition in manufacture comes mostly from the ERF group and Dunlop's HCB subsidiary, and the Guildford company found its market share slipping as a price-sensitive market turned to cheaper machines.

The crowning irritation for the company must be the fact that its own local brigade in Surrey uses a competitor's vehicles. Following its announcement earlier this month of a return to double-deck bus production after a ten-year break, Dennis has high hopes for the "R" fire engine (£19,000 a time, a couple of thousand under the existing Dennis price range). The annual U.K. market for new tenders is not large at 250 machines: Hood talks ambitiously about winning 40 per cent. of that, adding that over half fire engine production goes abroad.

He is clearly looking forward to May, when a new "R" will go through its paces on the race track. Slight pity, though, that the opposition will be one of Dennis's existing range rather than outright competition.

No thanks

The latest newsletter of a West London church reports that it had been planned to support a service at a neighbouring establishment on completion of redecoration. "We are sorry to report," it adds, "that recently it has been discovered that Christ Church has dry rot and there will, of course, be no Thanksgivings."

Observer

MAKE IT IN LIVINGSTON

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With crime, and violent crime in particular, on the increase, Michael Thompson-Noel examines the impact on the security companies

Riding on the crest of a crime wave

THE SECURITY business is booming. Firms which ten years ago employed only an aged nightwatchman are today obliged to spend money on trained guards, mail-scanning equipment and the expensive paraphernalia of red alerts, yellow alerts and bomb procedures. Some companies now insure themselves against Boardroom hijackings and provide their directors with personal bodyguards.

At every level there has been a lurch towards viciousness. Scotland Yard says that London is now moving rapidly towards a figure of 500,000 serious crimes a year. Over the past months a rise was seen in virtually every type of crime, from crime involving violence to crime involving property. Knives, iron bars and firearms are used extensively, and victims are just as likely to be maimed for £2 as for £250.

Flourishing

Twenty years ago, there were virtually no commercial security companies in Britain. Today, the flourishing security equipment manufacturers aside, there are probably more than 600 companies of various sizes providing guards for property, transporting anything of value, from cash to radioactive isotopes, and offering other general services.

The background to the security boom is bleak. Net criminal earnings, excluding shoplifting and industrial fiddling, for last year are calculated at £100m-plus. Since the start of 1974, more than 50 people have died as a result of terrorist bombings in England. There is a nationwide shortage of police: the Metropolitan Police alone is 5,000 under strength—and the cost of com-

Turnover

The biggest of the security firms is Securicor, with a group turnover last year of £62m. Including nearly £7m overseas, and profits for the year to last September of £2.75m, pre-tax. Securicor runs a fleet of 1,600 armoured vehicles, transports at least £300m worth of cash round the U.K. each year—in the process it loses less than £1 in £1m—employs nearly 21,000 people and nearly 800 guard dogs.

Traditional activities like cash movement, where Securicor claims 60-65 per cent of the U.K. market, continue to grow. Recently, at its West Draxton depot in West London—one of 70 in the country—a team of five guards finished training with the first of Securicor's new generation of armoured bullion vans for high-value bank work. The machine, almost certainly ambush-proof, is said to be one of the most advanced in the world.

The vehicle, built on a Ford chassis, will carry a pay-load of up to five tons, represents ten years' design work, incorporates a hydraulic lift-lift for bullion built into the structure of the van, is protected by bullet-proof glass windows and a thick steel skin. It costs £300,000. At the first sign of attack, a panic button triggers four sirens, electrically locks all doors, immobilises the engine, turns off the heater



Securicor: largest of the security businesses with a fleet of 1,600 armoured vehicles, a 21,000-strong labour force, nearly 800 guard dogs, and a world-wide turnover last year of £62m.

and puts the fans on to "extract" to counter the threat of attack by gas. There is a toilet for the crew to avoid a repetition of the famous spend-a-penny robbery three years ago when an armoured van (not one of Securicor's) was relieved of nearly £300,000 because the crew had settled into a cosy routine of stopping at a garage each week to visit the lavatory.

Delivery

But Securicor's fastest growth last year occurred in its special delivery service which offers two high-speed, high-security transportation of any type of valuable: computer data, examination papers, television film, drugs, blood plasma,

human kidneys—even, in accounts for around 60 per cent of its turnover, while Securicor Express is extending its spread into special delivery. At present Securicor Express is strongly entrenched in the bulk cash business where its clients include the big four clearing banks.

New security companies are springing up all the time. Consolidated Safeguards, based in London's High Holborn, was set up two years ago by Mr. John Allen to provide plainclothes guards for museums and art galleries. Mr. Allen is a typical security entrepreneur. After he left the Royal Armoured Corps, Allen worked as a security officer and policeman in West Africa before returning to Britain to join Securicor as a patrolman. When he left the company in

1970 he was the director of security services.

His company is small but thriving. Turnover last year was £225,000 and should soon reach £500,000. It employs 56 guards on art gallery duty—some of them are guarding the Constable exhibition at present at the Tate—and 81 uniformed guards who help protect Government and commercial buildings across a seven-mile radius of central London. The firm also runs a tele-contact service so that nightwatchmen can keep in radio touch with the control centre, a Securicor service that provides stewards for pop concerts as a respectable alternative to Hell's Angels, and a close-escort service, which means personal protection.

James Bond

Mr. Allen employs four bodyguards for escort work, all highly trained in unarmed combat. "Forget James Bond," he says. "Personal bodyguards should be utterly non-extroverted. Nothing flashy—no padded shoulders and no sunglasses. Mr. Allen's bodyguards usually cover visiting businessmen and officials at a charge of £120 per man per 24 hours plus expenses. Sometimes they protect whole families.

Like its much bigger rivals, Consolidated Safeguards spends a lot of money and time on recruitment, tracking back 15 and 20 years through an applicant's past, his jobs and his references. If an employment gap of as little as a month is discovered, the applicant must explain it. In December, Mr. Allen's firm interviewed 30 would-be guards (guards earn around £80 gross per week). Twelve were accepted for screening. Only five were offered jobs. During the first

two months of this year the firm offered jobs to 28 of 140 applicants.

But there are repeated calls—supported by the security industry itself—for a compulsory register of all security firms and of all employed in the business. Anyone can launch a security company. There is nothing to control the amount of training a man receives and no regulations about screening.

Justified

Mr. Allen says: "It is a justified criticism. We would welcome anything else that improved professional standards. There should be a licensing system for companies which would take into account a company's capital structure and financial backing and the calibre and experience of its directors. In turn, anyone working for a security firm should be licensed by the Home Office."

Further measures suggested by security expert Mr. Peter Heims call for official facilities where security firms could check whether any of their employees had a criminal record, and the possible use of the polygraph or lie detector by security companies on their own staff.

Whether or not they employ outside security help, virtually all companies now feel bound to take the protection of their workers seriously. I spoke to the general manager of a medium-sized company in central London which owns an 11-story office building of 100,000 square feet.

"Fortunately, this building occupies an island site surrounded by double-yellow lines, but we're a high-risk target. We've spent money on a public address system (£4,000), on a

mail scanner and about £10,000 on shatter-proof film for all ground-floor windows. The outside of the building is constantly patrolled. I'd say security, in terms of salaries and overheads, costs £40,000 a year although we'd probably just stop people walking off with the furniture.

"The key rule is protect your employees—forget the building and forget the plant; it is people that matter. However, I'd be a fool if I claimed this building was entirely safe. You can protect most of your workpeople most of the time but there is little you can do to protect yourself against a schizo who walks into the front hall with a 100 lb bomb."

Nastier

The truth is that criminals are getting nastier. A recent variation on the kidnap theme is the way in which bank employees and their families are held hostage. In January, whereby security firms could check whether any of their employees had a criminal record, and the possible use of the polygraph or lie detector by security companies on their own staff.

A Securicor expert in bullion transport says: "Ten years ago we were usually attacked by a gang of three with crowbars. Then they went in for a period of ammonia squirting, then we had the sawn-off shotgun. Now we are threatened with really sophisticated firearms, presumably brought in from Ireland. This is a very wicked world."

Letters to the Editor

Stupendous banalities

From Professor R. W. Revans.
Sir—I must be gratified by Michael Dixon's notice of March 9—An academics trail from Leeds to London, although I can hardly believe, judged by results in Britain, that the readers of the FT are all that interested in my raw mission. Nevertheless, I want to assure them that my taking a job at Leeds under Jack Butterworth must not be seen as any defection. To me, British management education remains a conspiracy against common sense, the supreme imposture of the academic mind; the business school will always be the masquerade parlour of the second-rate elite. In terms of Luther's gripe against the monks, I, too, am unconcerned if management professors seem ignorant, appetitive and vain—they are, after all, but Professors; my charge is that they have lost touch with the world of God's creation, and now sell courses as once the clergy sold indulgences: soft options for hard cash.

I must therefore explain the message that I am said so restlessly to carry through the airports of the world, lest Mr. Dixon spreads the impression that I am the professional jack-of-all-trades, expense account in one hand, scrapbook in the other, clothed in the innocent wiles of Ethiopians with the stupendous banalities of corporate planning, belapoural science, econometrics, modelling (a genuine British fraud guaranteed by genuine British mountebanks), and Paratrans—multi-poly-super-hyper-international business policy—or how to make a profit at 117 and 100khead. When the Harvard Business School sets up the very first world chair of Corruption Science it will have an embarrassing choice of foundation Professor, although lots of talent to back him up.

My mission is to oppose the spread of all such vulgar rubbish, by encouraging the managers of antique and distant lands to learn with and from each other as they attack their urgent local problems in the inevitable course of their daily work. To give a current example: "Who is to get whom to do what out safely under the moon following the Chas Nala disaster?" a question to be individually posed and personally answered by 500,000 men. Elaborate disquisitions on mining law and technology, though the Professors go blue in the face, are a cynical irrelevance to our question, which must be answered at levels far removed from the lofty dialectic of self-claiming scholars. If we talked less and went underground more, our profession might be less degrading.

I certainly hope, from Leeds, to persuade a few Yorkshire businessmen that Yorkshire's problems are best solved, and Yorkshire's managers best trained, by first getting those managers to suggest what the problems might be, and then see if any proposals to solve them actually work. We can take up the matrix algebra if and when we need it and no sooner. R. W. Revans, c/o Camperdown Trace Lodge, P.O. Box 33, Camperdown, New South Wales 2050.

The investment premium

From Mr K Scott
Sir—I am bored with the increasing reference in investment fund advertising and reporting

matter to the use of currency loan backing to avoid or reduce the risks of the investment premium. Most investors are aware that all investment bears a risk—the U.K. stock market in 1974 was testimony to this if the fact had been temporarily forgotten. But risks provide the opportunity for gains as well as losses otherwise none of us could be persuaded to invest.

I believe the function of fund managers is to try to achieve the maximum benefit by the most advantageous manipulation of funds having regard to all the contributing influences. Basically this is a matter of timing (the accuracy of which is substantially influenced by the degree of acquired expertise) and it should embrace economic and political considerations as well as financial ones. It may extend to more abstract factors, including chart predictions and even intuition, if these can be defended on successful past performance.

It is just not good enough to make a virtue out of avoiding the investment premium. Exposure to a backing loan in the wrong currency may lead to a more dire result. In recent years these two factors have often proved more significant in determining the overall value of overseas shares than has the change in basic share price. Are not investors entitled to expect a more positive policy for exploitation of investment funds in return for management fees?

K. T. B. Scott, 10 Grosvenor Road, Caversham, Reading.

Sugar Rainbow vanning

From Mr. W. Brooks.
Sir—I was green with envy when I read Maurice Irvine's report (March 17) on the "Vanning Craze" in the U.S. where transforming workaday commercial vans into "Disneylandish" fast-lanes has become a popular cult. Not, I hasten to add, because I would like to see "gaudy biscuit-boxes on wheels" here, but because the conversion of commercial vans into well-designed motor caravans has been perfected into a fine art by a number of British manufacturers.

Their products are often masterpieces of interior design and furnishing and reach standards of household engineering not attained for a great many homes. There is a growing demand for them not only in Britain, but overseas. Yet this small industry with a very big growth potential has had its light bid under a bushel! It is rare indeed—in all the many words written about holidays and travel—to find any that deal with motor caravanning.

When my book "All About Motor Caravanning" was published in November it received scant attention from motoring and travel correspondents. Yet such is the interest in the subject that I have had 20 telephone calls from would-be motor caravanners, some of whom, rather unfairly, wanted me to read whole chapters to them because they didn't want to wait until the copy they said they had ordered, actually arrived in the bookshop! So my envy is for the publicity motor caravanning is getting in the U.S. Perhaps we need a British "Andy Warhol of van customisation" and names like "Sugar Rainbow" and "Red Onion" for new models.

Mr. Healey's money

From Mr. J. Morrish.
Sir—I refer to "Trainings—How Mr. Healey's money is spent" by Elisabeth Ganguin in your issue of March 17. It is not Mr. Healey's money. It is our money. Why does the Financial Times fall into this trap? The Government only has what it takes from us.

Let us have no more of this "The Government is giving" etc. It is our money that the Government is giving often having taken an excess of it for hair-brained projects. It is only too easy to be generous with other people's money but we are all more careful if we spend our own.

When we as individuals are asked to give money to any project, we want to know how it will be used or what it is needed for. But if we suggest that the Government takes equal care with the spending of our money—particularly on social security—then we are told that this would be prying and operating a means test. But why not?

J. McI. Morrish, 37, Parliament Hill, Hampstead Heath, N.W.3.

Job creation no solution

From Mr. C. Simeons.
Sir—Elisabeth Ganguin's excellent article (March 17) on Government funds for industrial training hits the nail on the head—training for stock can't work for long in practice: jobs must eventually be found for those who are now being trained at Government's expense. As chairman of a volun-

GENERAL

Nominations close for Labour Party leadership, noon.
Mr. Andrei Gromyko, Soviet Foreign Minister, begins visit to Britain.
CBI economic situation committee meets.
Preliminary meeting of world copper producers and consumers to discuss price stabilisation, Geneva.
Law of the Sea conference continues, New York.
Sir Lindsay Ring, Lord Mayor of London, opens annual British Exhibition of Fine Jewellery and Sterling Silver, Goldsmiths' Hall, E.C.2.

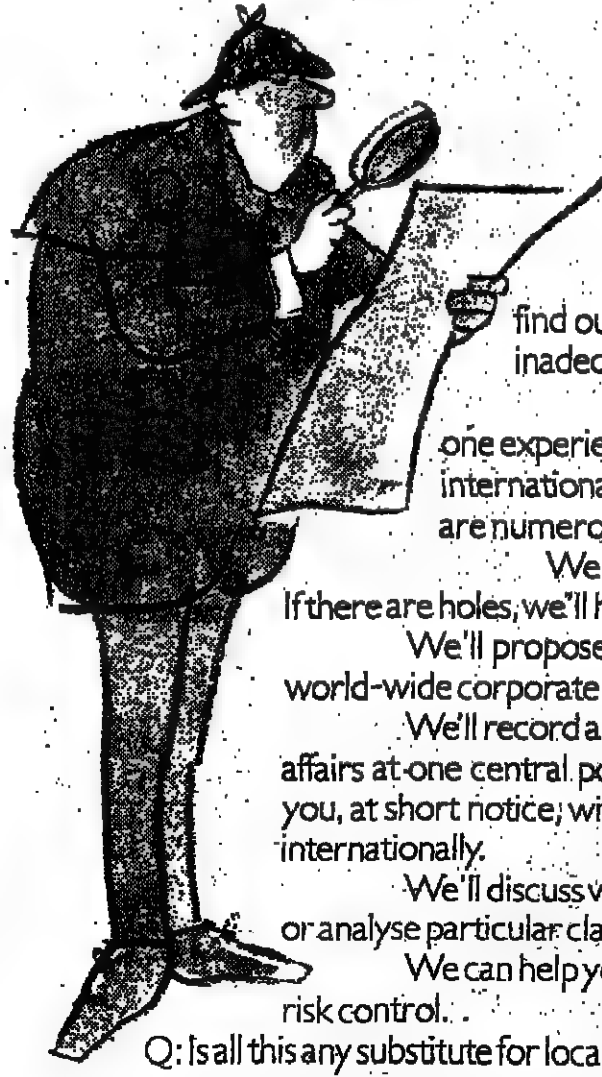
To-day's Events

PARLIAMENTARY BUSINESS
House of Commons: Debates on impact of personal taxation; and on defence cuts in their application to Northern Ireland. Committee meets.
Consideration of Lords amendments to Prevention of Terrorism (Temporary Provisions) Bill.
House of Lords: Water Charges Bill, third reading; Trade Unions and Labour Relations (Amendment) Bill, consideration of Commons message; Energy Bill and Ball Bill, second readings.
OFFICIAL STATISTICS
New vehicle registrations

MUSIC

Philharmonic Orchestra, conductor Pinchas Steinberg, with James Galway (flute) and Misha Maisky (cello) in flute solos, also Dvorak's cello concerto and symphony No. 9, Royal Festival Hall, S.E.1, 8 p.m.
Christopher Sunting (cello) and Francis Routh (piano) play works by Beethoven, Britten, Rach, Bartok, and Martinu, Queen Elizabeth Hall, S.E.1, 7.45 p.m.
Alice Arnt (soprano) plays music by Beethoven, Chaminade, Frank Martin, Villa-Lobos, Weiss, Newmiller, Ponce, and Quarta, Wigmore Hall, W.1, 7.30 p.m.

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Recovery trend for Bernard Wardle

THE FORTUNES of Bernard Wardle and Co., the Knutsford, Cheshire, plastics group, after going through the worst year of recession ever experienced, are now showing "firm evidence of improvement," says chairman Mr. D. A. Boothman.

The current year's results so far are considerably better than those for the same period last year, and while profits will not return immediately to the record levels of 1974 it is clear that this year's results will be much higher than the depressed level of 1973, he declares.

Though turnover and profit last year fell from £13.6m. and £1.11m. respectively to £11.84m. and £0.257m. the directors felt it imperative to pay particular attention to liquidity. Despite poor trading conditions they had by the year-end reduced bank overdrafts from £764,000 to £142,000.

Last year's pre-tax profit included a special payment of £180,000 agreed compensation over delay in meeting the specification for the new calendar at Edinburgh, Mr. Boothman says. This is now entirely satisfactory as to quality and output and is enabling the group to open up new markets and providing a greater range of products and market penetration.

Referring to the group's interests as producers or as exporters in other parts of the world the chairman says that special attention has been paid to these activities. The export sales organisation has been reorganised and special attention will continue to be paid to any opportunities that may arise in the developing countries.

A geographical analysis of group turnover shows (2000's omitted): U.K. £8,853; other common market countries £1,865; other European countries £96; Africa £212; rest of world £44.

The report includes accounts adjusted for inflation in accordance with the Sandilands proposals. On this basis the 1974-75 profit is set at £2,000.

Meeting, Knutsford, April 14 at noon.

See Lex

Tioxide steady in second half

A STEADY second half £3.9m., compared with £5.61m. leaves pre-tax profit of Tioxide Group, formerly British Titan, substantially down from £23.19m. to £9.23m. during 1975.

At half-time the directors said the recession, which started in the second half of 1974, continued into the first half of 1975. There had been a distinct improvement in the American market but no change was yet apparent elsewhere.

Dividend for the year is being kept at 14.5p per £1 share; stated earnings are 22p, compared with 32p.

Turnover was down from £23.21m. to £22.10m. U.K. tax charge was £275,000, against £4.14m. and overseas tax took £4.14m. (£8.27m.). The attributable balance comes out at £4.98m. (£10.95m.) and £1.84m. (£7.58m.) is retained.

There was a foreign currency adjustment credit of £23m., compared with a debit of £33.000 and reserves at year-end stood at £22.64m. (£17.73m.).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends, which are usually announced at the time of the meeting. The dates are given in the table below.

TO-DAY

Interim: Adams Foods, Hush Bard, Staffordshire Pottery.

Final: Camilla Investments, Home Counties Newspapers, Low and Bonar, York, Curlick, Rolls-Royce Motors, Salt Tires, Solicitors Law Stationery, South B. Finance M. Wilks.

FUTURE DATES

Interim:	Apr. 14
Unilever	Apr. 14
Thorne & W.	Apr. 14
Final:	Mar. 11
Product Products (Wallend)	Mar. 11
Amalgamated	Mar. 11
B&A	Mar. 11
Bentley Industries	Mar. 11
Bonhams Holdings	Mar. 11
Britannia	Mar. 11
Carparts International	Mar. 11
Chiffards Dairies	Mar. 11
Chorley	Mar. 11
Craxie	Mar. 11
Dickinson Robinson Group	Mar. 11
Halsall	Mar. 11
Kidson (Robert) Taylor	Mar. 11
RTT Textiles	Mar. 11
Sparrow & G. W.	Mar. 11
Talbotsons and Greyhound	Mar. 11
Wilsons-Bredon	Mar. 11

Scottish Provident lifts bonus

Scottish Provident Institution has announced an interim bonus rate for 1975 of 10 per cent. The company previously announced improved terminal bonus rates, payable on maturities and death claims, at the beginning of the year ranging from 1 per cent. to a maximum of 30 per cent. of the sum assured. This restored the cuts made in these rates at the beginning of 1973.

At these new levels, Scottish Provident is among the top five life companies for the longer term with profit business. Assuming this level is maintained, an investor aged 30 paying £100 a year would expect to receive £2,262 on a 15-year contract, £4,236 on a 20-year contract and £6,512 on a 25-year contract plus terminal bonus in each case.

The bonus rates for self-employed and "E" type pension plans are also increased to a record level of 35 per cent. compound, from 25.00 per cent. previously.

United Bank of Kuwait expansion

Pre-tax record profits almost doubled at £1,138,000 are reported by the United Bank of Kuwait for 1975, after writing off fixed asset expenditure of £302,000 (£180,000).

After corporation tax of £599,000 (£334,000) and a proposed 13p per fully paid share dividend, retained profit for the year was £214,000 compared with £222,700.

The balance sheet shows total deposits £33m. up at £298m. Of the Bank's reported current assets of £31m. (£24m.), £13m. (£8m.) is held at call or on short notice and £52m. (£21m.) is on deposit with other banks.

Capital resources will stand at around £181m. on March 31.

BROWN AND JACKSON

Profits of Brown and Jackson

Trust fees boost Law Debenture

DURING THE first two months of 1976 The Law Debenture Corporation has accepted 10 new trusteeships and the directors anticipate that revenue from trustee fees for the whole year should exceed the annual rate for 1975.

They reveal in their annual report that trustee fees are making an increasing contribution to gross revenue. More than 45 per cent. of current revenue from trustee fees now arises from overseas trusteeships.

They repeat their earlier forecast that subject to unforeseen circumstances total dividend payment for 1976 will be 3.6p net compared with 3.25p last time.

As reported February 15 revenue before tax for the 11 months to end December 1975 was £0.56m., compared with a loss of £0.37m. in the previous 13 months. It was explained then that the figures were not comparable because of the internal reorganisation and the repayment of the then subsidiary's Swiss Franc loan, and because income did not accrue evenly over the period.

Meeting, 68 Gresham Street, E.C., April 14, 2.30 p.m.

SWACO falls to £61,000

Net profits of South West Africa Company for the half-year to December 31 have fallen to £61,000 compared with £233,000 in the same period of 1974 and a total of £738,000 for the full year to end June. Although the earnings per share amount to only 2.87p in the past half-year, Swaco is raising its interim dividend by 0.55p to 9.35p; the 1974-75 total was 17.65p.

The base-metal producer points out that in the latest period sales revenue, no dividend was received from Transvaal Corporation and there were adverse exchange rate movements following the devaluation of South Africa's rand; the exchange loss is not allowable for U.K. corporation tax purposes.

Production of lead vanadates exceeded sales in the past six months and the second-half is expected to benefit from the sales of accumulated stocks, higher metal prices and sales of tin-wireframe concentrates produced at Brandburg West. Anglo American Corporation has a 47 per cent. stake in Swaco with Consolidated Gold Fields holding 42 per cent. The shares were 125p yesterday.



Sir Ralph Bateman, chairman of Turner and Newall which is to-morrow due to announce results for 1975. A significant recovery has already been forecast following the first-half downturn.

Bradbury Wilkinson nears £2m.

REMEDIAL measures taken at the end of 1974 resulted in turnover of Bradbury Wilkinson and Company improving from £3.65m. to £13.13m. in 1975 and an upsurge in taxable profits from £0.32m. to £1.97m.

A long term contract at fixed prices which had adversely affected the results in 1974 and early 1975 was completed before the end of the year and consequently the dilution of profits arrested, the director state.

After tax £64,054 (£86,274), minorities £20,071 (£38,000), and £59,513 (nil) goodwill written off, the attributable balance emerges at £17,088, against £197,342.

The group has planned a "heavy" capital expenditure programme for 1976 to extend the potential of its specialised equipment. Capital commitments at December 31 amounted to £1.41m. (£0.25m.).

The company is a subsidiary of the International Banknote Corporation of the U.S.

Bond Street Fabrics ahead

Mr. J. Davies, chairman of Bond Street Fabrics, clothing manufacturers, Leicester, reports results for the first quarter of the current year ahead of those of the corresponding previous quarter and a subsequent build-up in finished stock which will not be despatched or brought into profit until the third quarter.

Part of the knitted outerwear division in Scotland had to take orders at low prices because of overseas competition and consequently results for the half year will only be about the same as those in the first half last year.

FT Share Information Service

The following securities have been added to the Share Information Service:—

Brasil Fund S.A.
(Section: Investment Trusts)
Hamilbourne
(Section: Industrials (misc.))

SLATER WALKER TRUST MERGERS

Slater Walker Trust Management has announced that the

BIDS AND DEALS

CLARK EQUIPMENT. Clark Equipment has agreed to sell the U.S. assets and business of its refrigeration division to a new company formed by the present management of the division and institutional investors led by Carl Marks and Co., a New York City banking concern. Closing of the purchase is scheduled for May 31.

The new company will be known as Tyler Refrigeration Corporation, with headquarters at Niles, Michigan, and will continue to manufacture commercial refrigeration and food service equipment.

THOMPSON-REID

Charles Reid received acceptances totalling 2,733,030 Ordinary and 34,660 Preference shares to the offers for the capital of Thompson-Reid. This represents 95 per cent. and 54.86 per cent. respectively of the Ordinary and Preference shares.

The share exchange offers have been declared unconditional and remain open.

AAH OFFER

The offer by A.A.H. for the outstanding Preference capital of Smith Parkinson Cole (Holdings) has been declared unconditional and remains open. Acceptances have been received for 94,389 shares (£0.77 per cent.).

NATWEST AFFILIATE

The Swiss Volksbank, of Berne, has acquired a minority holding from unnamed non-Swiss interests in the Handelsbank N.W., a Zurich bank controlled by the National Westminster Group, which retains the majority holding of 53 per cent.

In the past year Swiss Volksbank has also taken up minorities in Bank Europäischer Genossenschaftsbanken and H. B. B. Bank AG, both of Zurich, and the Equitable Securities Corporation, of Panama.

Timber hopes at Development Sees

PROVIDING there is a recovery in the timber sector, Mr. F. A. Bateman, chairman of Development Securities, sees no reason why profits should not be maintained or even exceeded.

As known, taxable profit for the year ended October 31, 1975, improved from £1.71m. to £1.95m. and the dividend per £1 share is stepped up from 4p to 4.4p net.

In 1974-75 the profitability of the Dorchester was restored with the resumption of the lock and canal after the previous year from which the whole industry had suffered. Further improvements were made to guest amenities during the year and prospects for the hotel "are certainly brighter than a year ago."

In construction services with the partial recovery in timber prices and with management changes a return to profitability is hoped for in the current year at Ridgeway of Rotherham.

Chichester Yacht Basin continued to record improved profits, although escalating costs of maintenance of the lock and canal are likely to make an impact on the results for the current year.

Referring to Underwater Maintenance Company Mr. Bateman reports that the undersea vehicle "Scan" developed for the underwater surveying of large bulk carriers was commissioned during the year with Lloyd's approval.

The system is establishing a good reputation and has contributed towards the company's profitability in the year. It is intended to build on the success of this enterprise.

Meeting, Dorchester Hotel, W., April 13, 12.30 p.m.

General Funds to hold 3.5p

CHAIRMAN of General Investment Trust, Mr. M. Vickery says that the £20m. £36,416 Convertible stock beginning of the current year, but it is hoped current dividend of 3.5p will be maintained.

As already known for the year to Jan 1976, showed little change, £250,388 (£267,312). No revenue rose from £1,220,885.

Mr. Vickery states that the firm's foreign currency opened during the year, but with the firm's of the markets the directors will provide a useful cost to assets during 1975-76. In the 12 months the firm invested in copper as "a trade recovery, the derivative metals must rise."

Guardian Royal Exchange House, E.C., on April 13 p.m.

Ariel sees little change

Profits of Ariel for the 16-month period March 31, 1976 are not to be greatly different from the previous year, when the balance of £20m. revenue rose 10 per cent. year does not normally significantly to earn directors' point out.

To ensure that the dividend is not a second interim of declared making a total to date. The directors expect to be able to meet a maximum permitted dividend of 10p per share. The group makes fasteners and, light on products.

ISSUE NEWS

CONCENTRIC. CONCENTRIC's rights raise £1m. on the basis for-four at 39p each. Taken up as to 45 per cent. has been sold, premium of 0.3948p which will be distributed accepting shareholders.

Leyland Paint ahead so far

Mr. Bryan Jones, chairman of Leyland Paint and Wallpaper told members at the AGM re-financing arrangements have been satisfactorily completed. Medium term finances are now on a much better basis and will leave the directors free to proceed with the development of the company.

The current position is more satisfactory than it was last year, he says. Turnover is showing an increase and so far this year the group's trading ahead of expectations.

If the current pattern of trading is maintained there is good reason to expect a more satisfactory outcome to the current financial year.

Brint Inv.—no dividend

Gross revenue of Brint Investments, a "close" company, was £289,829 for the 18 months to June 30, 1975, and pre-tax profit was £245,398. For the previous 18 months the figures were £235,388 and £241,484 respectively.

There is no dividend, compared with payments of £11,545 in 1974. The annual report reveals that all outstanding properties were sold during the year and realised a total of £1,08m. compared with a book value of £1.91m. No fresh investments have been made.

Occasional opportunities have occurred during the year and the company's resources therefore remain in liquid form.

Tioxide Group Limited

International manufacturers of titanium pigments

"Results for 1975 demonstrate underlying strength in a period of recession." D. M. Bell, Chairman

	1975	1974
Sales	£m	£m
Group Trading Profit	93.0	95.2
Taxation	9.3	25.4
Available to Shareholders	4.4	11.7
	4.7	10.8
Earnings per Ordinary Share	22.0p	52.0p
Dividends paid or proposed	14½p	14½p

With inflation taking its full effect on costs and with sales margins limited by tough competition and by price control it was found impossible to maintain profit levels at the lower sales volumes obtainable. The UK Company suffered the biggest reduction in output due to the sharp decline in its export business and did well to cut costs and achieve a modest trading profit.

There was an upturn in business in the fourth quarter of 1975 and the improvement has continued. The 1975 results demonstrate the inherent strength of this international business, a year in which the world chemical industry experienced the worst recession since the war.

Tioxide TITANIUM PIGMENTS

Tioxide Group Limited (formerly British Titan Limited) operates companies in Britain, Australia, Canada, France, South Africa and Spain.

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Mr Norman A Thomas
Management Services Manager
Ogden's/Imperial Tobacco Ltd.

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7 Old Park Lane, London W.1			100, Abchurch Lane, London EC4N 3JF		
Director	131.3	137.5	1st Ind	27.5	29.5
Chairman	131.3	137.5	Second Ind	22.5	22.5
Managing Dir	131.3	137.5	3rd Ind	22.5	22.5
Director	131.3	137.5	4th Ind	22.5	22.5
Director	131.3	137.5	5th Ind	22.5	22.5
Director	131.3	137.5	6th Ind	22.5	22.5
Director	131.3	137.5	7th Ind	22.5	22.5
Director	131.3	137.5	8th Ind	22.5	22.5
Director	131.3	137.5	9th Ind	22.5	22.5
Director	131.3	137.5	10th Ind	22.5	22.5
Director	131.3	137.5	11th Ind	22.5	22.5
Director	131.3	137.5	12th Ind	22.5	22.5
Director	131.3	137.5	13th Ind	22.5	22.5
Director	131.3	137.5	14th Ind	22.5	22.5
Director	131.3	137.5	15th Ind	22.5	22.5
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Director	131.3	137.5	17th Ind	22.5	22.5
Director	131.3	137.5	18th Ind	22.5	22.5
Director	131.3	137.5	19th Ind	22.5	22.5
Director	131.3	137.5	20th Ind	22.5	22.5
Director	131.3	137.5	21st Ind	22.5	22.5
Director	131.3	137.5	22nd Ind	22.5	22.5
Director	131.3	137.5	23rd Ind	22.5	22.5
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Director	131.3	137.5	63rd Ind	22.5	22.5
Director	131.3	137.5	64th Ind	22.5	22.5
Director	131.3	137.5	65th Ind	22.5	22.5
Director	131.3	137.5	66th Ind	22.5	22.5
Director	131.3	137.5	67th Ind	22.5	22.5
Director	131.3	137.5	68th Ind	22.5	22.5
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Director	131.3	137.5	74th Ind	22.5	22.5
Director	131.3	137.5	75th Ind	22.5	22.5
Director	131.3	137.5	76th Ind	22.5	22.5
Director	131.3	137.5	77th Ind	22.5	22.5
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Director	131.3	137.5	86th Ind	22.5	22.5
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Director	131.3	137.5	89th Ind	22.5	22.5
Director	131.3	137.5	90th Ind	22.5	22.5
Director	131.3	137.5	91st Ind	22.5	22.5
Director	131.3	137.5	92nd Ind	22.5	22.5
Director	131.3	137.5	93rd Ind	22.5	22.5
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OFFSHORE AND OVERSEAS FUN

FINANCIAL TIMES STOCK INDICES							
	March 19	March 16	March 17	March 18	March 19	March 22	A year ago
Index Seen...	61.50	61.33	61.39	61.14	61.76	61.90	62.39
Interest	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Financial Ordinary	394.3	395.1	397.3	400.0	410.5	410.0	274.0
Real	185.6	186.3	190.7	197.7	196.3	190.3	403.3
iv. Yield %	5.22	5.19	5.19	5.16	5.05	5.05	7.24
gov't % (full)	15.44	15.35	15.33	15.28	14.92	14.68	15.44
to fact (in %)	9.50	9.66	9.57	9.53	9.33	9.03	6.46
marked	8.776	6.004	7.947	7.532	6.824	7.444	7.980
turnover £m		64.34	71.20	75.50	53.50	63.56	65.90
margin total		18,547	17,741	20,540	19,352	18,167	18,580

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Source: Reuters telex 62-34-2024.

(*) Based on 1000 cont. corporation tax. (2) ND=Not Done.

12/10/55: 5B Activity July-Dec. 1952.

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FINANCIAL TIMES SURVEY

Monday March 22, 1976

CALIFORNIA

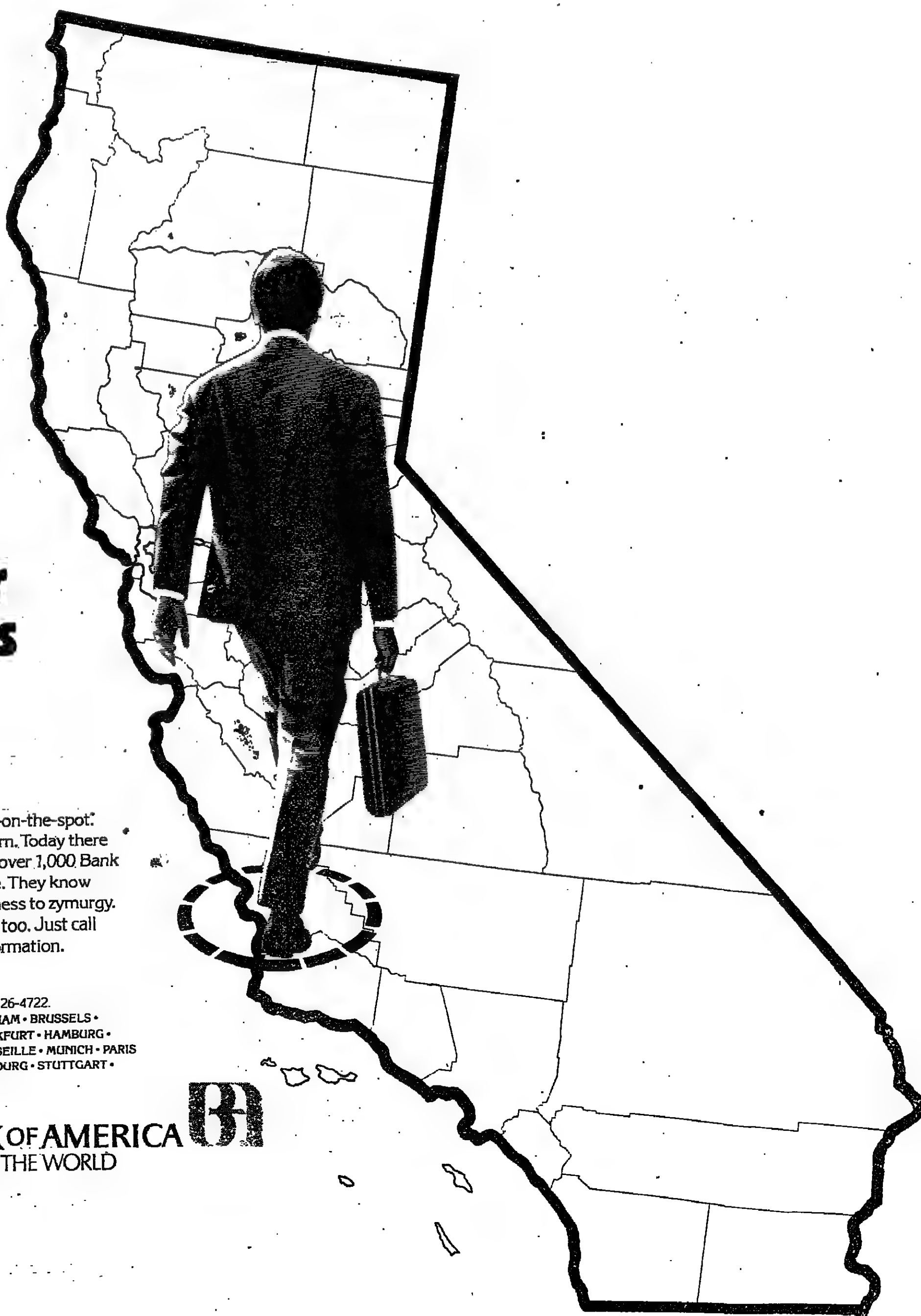
With its great wealth, exploding cities and spectacular economic growth, California—the home of Hollywood—may be said to rival the traditional larger-than-life film scenario. Despite recession, life there proceeds on much the same lines, but there are signs that the tempo is becoming less hectic.

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BANK OF AMERICA
AND OF THE WORLD



CALIFORNIA II

Growth at a more measured pace

CALIFORNIA is settling down, drives are several, but one of the more significant is what Dr. Robert Lekachman, Professor of Economics at City University of New York, calls "a power shift of seismic dimensions" from pleasure, is "maturing." It is becoming less a place of boom-or-bust growth, more one of measured and diversified development.

Most of the familiar superlatives still apply, of course. California remains the leading State in goods and services, aerospace and electronics, and it is search and development, agriculture and education—otherwise the "knowledge industry." If it were a nation, its Gross National Product would rank among the world's top six. Last year it generated \$138bn, in personal income, almost a tenth of the U.S. total. And it is still a hothouse for liberated lifestyles, bizarre revolutionary movements, fads and trends of all kinds. But the dizzying pace of change has slowed, and after 125 years of unparalleled growth that began with the Gold Rush, it is perhaps time.

Reasons for this stabilisation of social, political and economic

Certainly California's economy is outperforming the nation's, and is expected to go on doing so during 1978. One reason for this is the tremendous growth in international trade, due chiefly to the State's strategic position as gateway to the Pacific. Economists are agreed that it will play an increasing role over the coming decade as trading capital of the U.S. for the vast Asian market, of which Japan constitutes a half.

Binge

Already many Japanese firms—among them Sony, Hitachi, Itoh Textile—have relocated their U.S. headquarters in California. And the State, which is the nation's biggest car market, is currently on a binge of buying foreign. Of all the cars sold in California last year, 40 per cent were imports; Japanese makes, with Datsun the top-seller, are expanding rapidly.

When the Financial Times last took an in-depth look at California, in its supplement of September, 1974, the economy

was in the doldrums, suffering from record inflation levels, unemployment, recession and tight credit. These troubles have not vanished, but the recovery which began in 1975 is expected to accelerate this year, with the main thrust coming from increased consumer spending.

After a banner Christmas season, sales continued to rise, and the good news has spurred home-building and shopping-centre construction. Agriculture (the State provides 25 per cent of the nation's food supply) and electronics look strong, while heavy defence contracts will help some aerospace firms, even though that industry as a whole (and Lockheed in particular) is suffering from a decline in commercial orders. All in all, says Dr. Raymond Jallow, chief economist of the United California Bank, we can expect gains to increase in the second half of the year, although unemployment, now around 10 per cent, is unlikely to fall by much.

Population growth, after a hiatus of several years, is picking up again. The rush west-

wards had slowed to a point where predictions of 40m. people in the Golden State by the year 2000 have been cut by 10m., but an upswing in both births and migration this year should add some 260,000 souls, giving a total population of 21.3m.

Few, it seems, are personally alarmed by the appearance of crackpot political bands, murderous cults of the Manson stripe, or would-be assassins of Presidents. These well-publicised terrors are greeted with a yawn. The disenchantment of the young with "the Southland" came about through overcrowding, uglification, pollution and, in the eight Reagan years, an uncomfortably rigid attitude to social change. "Many people have moved to the country," says Mr. Nelson Rasmussen, of the State Population Research Unit, "because they find urban living too complex and frustrating." For every resident of rural Oregon that moves to California, three Californians move to Oregon. "It's a rural renaissance," says Rasmussen.

Anyone flying over the vast sprawl of Los Angeles is likely to feel it is as well that the West's largest metropolitan area came into effect on January 1 last. Other antiquated sex laws were struck down. Penalties for marijuana possession were sharply reduced. Anyone caught with less than an ounce now gets a traffic ticket-type citation and possibly a \$100 fine. Imports of pocket scales from Hong Kong have soared as smokers and police—who keep scales as standard equipment in patrol cars—measure their ounces.

These areas will account for 35 per cent of California's growth this year. They are also among the most conservative in the U.S.

California as a whole has been taking a broader view of social questions lately. Democratic Governor Edmund Brown has, in his 14 months in office, signed a swarm of Bills his Republican

predecessor would have balked at. A Wolfenden-style law recognising the rights of homosexuals came into effect on January 1 last. Other antiquated sex laws were struck down. Penalties for marijuana possession were sharply reduced. Anyone caught with less than an ounce now gets a traffic ticket-type citation and possibly a \$100 fine. Imports of pocket scales from Hong Kong have soared as smokers and police—who keep scales as standard equipment in patrol cars—measure their ounces.

Battle

Looking ahead, California expects to serve over the next decade as a battle-ground for a conflict which may help to set a pattern for America. Proponents of untrammelled growth are mounting a counter-attack on the mass of environmental and other restrictions which in recent years have curbed "free enterprise." The Coastal Zone Conservation Act of 1972, which has virtually halted building along the coastline, is a prime target. Another is the proliferation

of conflicting, overlapping local agencies—60 such must give before building can start in San Francisco.

The highly popular Brown, although he of that expectations, has Government's ability tends to be a fence-str the hotter environment such as more nucle plants—a vexed quest earthquake zone. Bu little doubt where the his youthful, hand-plk of administrators the reform-minded conser almost to a man. Ju of people, growth, complain, who are sp California's hopes for the curtailment everything made the state so pro

So the fight, at publi and in the lobbies of Capitol at Sacramento long and tough. Ho will have far-reaching enterprise." The Coastal Zone Conservation Act of 1972, which has virtually halted building along the coastline, is a prime target. Another is the proliferation

Economy moves ahead again

CALIFORNIA, like the rest of the U.S., is now visibly recovering from last year's sharp recession. The current economic upturn, which economists and bankers were still describing as "hesitant" and "weak" four months ago, is now in full swing and most forecasts paint a picture of strong and accelerating growth that should continue well into 1977.

With certain exceptions—the aerospace industry being a prime example—most of the State's key industries are already moving ahead, while Gross State Product (GSP) is forecast to show in 1978 its first real gain for three years. Car and retail sales are strong and, despite a projected sharp leap in the State's population, unemployment is expected to fall.

But despite a clear prevailing mood of optimism about both the strength and duration of this upturn and clear evidence that California as a State was not as badly hit in the last recession as some areas, there seems little disagreement within the State that its economy has, over the past few years, shifted

firmly towards a much slower pattern of long-term growth. If true, it could take California some time to adjust. Ever since the State first hit the world's headlines in 1949 with the discovery of gold in the Sierra Nevada mountains and the cry "Go West, young man, Go West" became famous, both the State's economy and its way of life have been based on the continuing phenomenon of exceptionally rapid economic growth.

Thanks to a series of successive and very timely booms based on everything from agriculture, railroads and oil through to (more recently) movies and aerospace, California managed to sustain its "Gold Rush" momentum for over a century. Now, according to most economists, this era has closed—the State's huge economy is finally maturing and rapid growth may no longer be a possibility or even a desirable ambition.

Cutbacks

The evidence that this 100-year boom has ended seems overwhelming. Over the last quarter century, net migration

into the State (the difference between the number of people moving in and out) is sharply down, while the natural population growth has also declined. At the same time, the long-term rate of increase in the number of available jobs has lost ground even more quickly and State unemployment rates have risen to well above the national norms.

In sharp contrast with the 15 or so years immediately following the end of World War II, California's annual rate of growth in real income is now lagging behind the national average. Although still the most prosperous State of the union by most economic yardsticks, California's share of the U.S. national income has fallen over the last decade from 11½ per cent to only just over 9 per cent.

While the impact of this cannot be discounted, many now accept that its main effect was simply to show up (perhaps a bit prematurely) weaknesses already present in the State economy. The Federal Reserve Bank of San Francisco recently produced evidence that the State's economy, over about the last ten years, became increasingly biased towards such things as general manufacturing,

trade, services and agriculture. Even more to the point, in trying to figure out where California went wrong, the Fed shows that over the same period most of the State's important and large individual industries lagged well behind their national counterparts in terms of real growth. This relative slow-down was especially noticeable in such traditionally fast growing areas as construction, finance, State and local government and, of course, aerospace.

The result was to send the State's already high level of unemployment even higher. It became difficult for Californians to argue that their relatively greater numbers of jobless was entirely due to high immigration, migrant workers, a greater percentage of full-time students and East Coast drop-outs drawing unemployment benefit in the sun.

By the mid-1980s the State's seasonally adjusted average annual unemployment rate was running a full point above the national level. Between 1967 and 1971, however, this gap increased to a peak of 2.8 points as a continuing flow of immigrants and the falling number of jobs sent State unemployment up to 8.7 per cent. While industries—agriculture, construction and agriculture—contributed later this year, this two-point differential remains today.

To-day California is recovering from its second serious downturn in six years. While time the available work-force still the biggest State (and, according to some measure, population took its first big jumps, on its own one of the step forward for some years, largest ten nation-states in the lifting annual unemployment to world), it is no longer the an all-time peak of 10.6 per cent fastest growing—that honour is cent. In May and 9.9 per cent, now shared by Florida, Texas for the year. This year between and Arizona. But if the State 150,000 and 250,000 will be entered the 1974-75 national added but, despite this gain, the downturn in a somewhat worse renewed rate of immigration economic condition than the rest will probably work to limit the of the country, it is evident that fall in unemployment.

this last recession proved far less severe in California than in many other areas.

Strength

Thanks to its relatively low dependence on the motor and certain other cyclical industries, as well as the relative strength shown by the State's agricultural sector, the State managed to hold its September, 1974, to March, 1975, drop in employment to a mere 2.6 per cent, less than half the national slump of 6.3 per cent. Between 1973 and 1975, real per capita income in the State fell only 1 per cent, compared with the 4.5 per cent decline seen for the nation as a whole.

The slump in aerospace combined with the subsequent relative strength in the service industries, retailing and (though to a lesser extent) manufacturing has significantly widened California's economic base and, in that sense, increased its economic stability. The days of sharp counter-national swings are gone and even if a new growth sector should materialise it could have grants and the falling number little impact on an economy of jobs sent State unemployment up to 8.7 per cent. While industries—agriculture, construction and agriculture—contributed later this year, this two-point differential remains today.

Over 1975, the State lost about 50,000 jobs. At the same time the available work-force still the biggest State (and, according to some measure, population took its first big jumps, on its own one of the step forward for some years, largest ten nation-states in the lifting annual unemployment to world), it is no longer the an all-time peak of 10.6 per cent fastest growing—that honour is cent. In May and 9.9 per cent, now shared by Florida, Texas for the year. This year between and Arizona. But if the State 150,000 and 250,000 will be entered the 1974-75 national added but, despite this gain, the downturn in a somewhat worse renewed rate of immigration economic condition than the rest will probably work to limit the of the country, it is evident that fall in unemployment.

ECONOMIC TRENDS

	1972	1973	1974	% ch
Population (m.)	20.5	20.7	21.0	2
Civilian labour force (m.)	8.6	8.8	9.2	2
Unemployment, seasonally adjusted (%)	7.7	7.0	7.3	
Total personal income (\$m.)	102.9	113.4	126.0	13
Median family income (\$'000)	12.4	12.2	14.3	1
Gross State Product (\$bn.)	124.3	139.2	153.2	16
Retail sales (\$bn.)	47.9	53.5	58.0	6
New car registrations ('000)	994.0	1,104.0	817.0	17
New house building permits ('000)	251.0	316.0	130.0	12
Total international trade (\$bn.)	10.66	15.28	15.30	21
Annual rate of increase (%)				
in net farm income	30.5	68.5	12.75	
estimate, forecast				

Sources: United California Bank, Wells Fargo Bank, Reserve Bank of San Francisco, Bank of America.

The sharpest rise in unemployment during 1975 was in the construction area, where the number of available jobs fell about 10 per cent, the result of a sharp decline in commercial activity which more than offset residential gains. While the commercial side is forecast to remain weak this year, residential construction is benefiting strongly from lower mortgage rates. The annual rate of new housing starts is expected to reach 165,000 at the end of 1978 (against 85,000 15 months ago) and an overall rise in jobs available is expected.

Although retail sales volume is now picking up strongly that industry is seen as having little employment change in coming months. Employment was increased through the earliest days of this last recession as new outlets were opened and this year will see the slack being taken up. In the same view, Government employment is likely to be sluggish, although service jobs will probably rise by as much as 8 per cent.

While the manufacturing sec-

tor as a whole continues to reflect the problems of this year should see a strong overall (especially in the last against the 5 per cent 1975). Electronic v are expected to fea ly, as will building and appliances. Alt agricultural sector v certainly benefit from prices and product costs together with t drought could limit t

Overall, most forec est that California's capita income will i least 3 per cent, the gain that must worl tinue the general ind recovery. Although t some indications that may not yet have f to live with its lowe growth rate, the ann the annual rate of p increase should kee family income risin That, in the nation State, bodes well for of the country.

Jay

Threat of energy gap

A STATE ban on new the fuel used in this automotive swimming-pool heater hookups

Electricity, the main alternative, is generated from oil and natural gas—so there go the laws-sprinklers (the water must be pumped for hundreds of miles), the night game at the tennis club. Next thing, they'll take away the backyard barbecue.

A year-old Energy Commission headed by one of Gov. Brown's 35-year-old aides faces public indifference and sometimes outright hostility. It has been accused at legislative hearings of "casual and misdirected efforts." But in view of the confusion of present and future supplies, it is not easy to see how it might have performed more efficiently.

Two major schemes for new sources of energy look like coming to grief. First, offshore oil-drilling, already whittled down, faces a long battle in the courts. Secondly, plans to expand nuclear energy by building 31 plants in the next 20 years are now at the mercy of a voters' ballot to be held next June.

The inflationary measure, known as Proposition 13, would allow such construction only after approval of the legislature, a body highly sensitive to public feeling. Even operation of the three existing plants would be cut back until their safety had been "proven." Proposition 13 would also lift the \$560m.

liability limit set by Congress for any nuclear accident. Insurance could not be bought at any price for unlimited liability.

Knell

The utility companies protest that the ballot could ring the death knell for atomic power not only in California but in nearly 20 other States which are considering some curtailment measures. "It means nothing less than a shut-down," they say. And since two-thirds of the energy source for electrical generating stations now on Pier J, near the ber being built here is nuclear, a lethal blow might be dealt to the whole economy of the State.

The ballot is backed by a national coalition which includes the influential Sierra Club, Friends of the Earth, and Zero Population group—the very same people, business interests and workers alike complain, who oppose coal-fired use, generating stations, super-tankers, facilities for handling imported fuels and, of course, offshore drilling. A Southern California Edison director grumbles: "It's time they realised there's no virgin birth in energy supplies."

If voters pull the plug on nuclear power plants, it may be because they suspect that California is being pushed into years to come. It is in precipitous "development" pro-

grammes which could unnecessary. California all, still holds some energy aces.

For a start, Alaskan gas is flowing into the W year, when the great p completed. Already the Oil Company of Ohio with British Petroleum half the 800-squa Prudhoe Bay Field—cuded on Long Beach, Los Angeles, as its tanker terminal. T facilities will be open companies, and a tank hold 3.6m. barrels will near the ber Queen Mary. Long lethal blow might be dealt to already awash in its riches, will benefit by \$80,000 a day in addit fees.

When the Alaska attains its 2m. barrel capacity in 1981, 1.5m. will be shipped to Coast. This, it is now far more than the W use. The surplus is to be via Texas to the Mid South through new p Some may even be div Japan. Thus many ques urgency for new source

Again, everyone knov is oil in "them that hi to 5bn. barrels of sea sulphur oil, enough t be because they suspect that California self-sufficie they are being pushed into years to come. It is in precipitous "development" pro-

Continued on next page

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Plaudits for Mr. Brown's new broom

EIGHT years of executive achieved such soaring popularity in so short a time? Mr. Ronald Brown, in 1974, a Governor of a very political persuasion back to await results. His legislators in the State at Sacramento will tell us haven't been any doesn't worry liberal Edmund "Jerry" Brown, the new broom whose months in office have delighted his constituents in the Golden State. The Governor's chief of staff, David, is asked what he has accomplished so far. He answers: "He's approval rating of better than 80 per cent." Yet Mr. Brown, barely scraped home in 1974, drawing 2 per cent of the vote, thought it was the repeat of his father, the State for two terms in the hat tipped the scales in favour.

Socratically to expose the false and uncover the tone. It is, as the inner circle of aides admits, a "very time-consuming process." Critics charge that his habit of minutely studying almost every Bill that reaches his desk is diverting his attention from really pressing problems. But Mr. Brown responds that one of the biggest problems around is the American passion for speed. "Rush! Rush! Get it done! You've only got two weeks! Send the Marines in on Cuba! Bomb Vietnam now! Get the planes up!" Now, he thinks, it is time to slow the pace, to stop believing that grandiose government programmes will solve everything.

In these times of hostility and suspicion towards Big Government, nothing has won Jerry Brown as many plaudits from the public as his personal life-style. The Governor's much advertised refusal to live in the new multi-million gubernatorial mansion begun in the Reagan years intrigues Californians. He seems actually to prefer his \$250-a-month rented apartment in Sacramento, the car-pool, Plymouth he drives rather than Reagan's bullet-proof Cadillac. He has sold the private gubernatorial jet, refused an \$11,000 pay increase on his \$49,000 salary. He works a 12 to 16-hour day, and fires aides who will not work in the evenings.

There was nothing enigmatic, however, about Mr. Brown's recent appearance before the California Democratic Council, a loose conglomeration of the party's most firmly liberal-left elements. Many thought Brown might be given a rough ride because of his unexpectedly conservative stands on some issues; but not at all. He was cheered and applauded as he ticked off his liberal achievements, greeted with laughter when he joked about his penny-pinching policies. ("I don't like to spend money. That's not because I'm conservative. It's because I'm cheap.")

What surprises people about the Brown regime is its lack of a clear-cut party line. The Governor sounds like your archetypal liberal: he signs Bills slashing marijuana penalties, approves homosexual rights measures, encourages the State Air Resources Board to impose fat fines on Chrysler Corporation, and American Motors for selling cars that violate pollution standards. This is the stuff to warm the hearts of all liberal Democrats.

But next they find him proposing to train 1,200 members of the National Guard as a kind of paramilitary police unit, at a cost of \$250,000, for use as a strike-breaking force should police walk off the job—as they did last August in San Francisco, demanding higher pay. The liberals are doubtful, the police are enraged; but Brown is pushing the plan through.

Then there's the arts people. In Governor Brown, they thought they had found a fairy godfather who would fill the coffers of the new California Arts Council, if not with largesse at least with something better than the pitiful Reagan doler. Wrong again. The Governor's arts budget is a measly \$1.4m.

During his election campaign, Mr. Brown promised to give the arts special attention. So he has. He's being extremely choosy about who sits on the newly-appointed council, while that can hold us together.



Left: Governor Edmund "Jerry" Brown: his popularity is soaring and he may emerge as a Vice Presidential nominee. Right: previous Governor Ronald Reagan, currently seeking the Republican nomination as Presidential candidate.

Celibacy

A bachelor, if not a "confirmed" one, he does not even have (it would appear) a sex life. "Jerry once took a vow of celibacy, but he got a signed release from the Pope," con-

A banker's dream State

As basic growth potential, California was, and still is, a matter of being close to being the dream of every American. Put at its simplest, the liberal and unrestricted regulations continue to draw the banks unabashedly to both a business state that has been growing faster than the national average and a population which, in abundance, is the envy of the world.

FINANCIAL PICTURE OF CALIFORNIA'S LARGEST BANKS—1975

	Bank of America	Western Security Pacific	Wells Fargo	Crocker National
Total assets, \$bn.	68.5	41.8	14.9	10.5
Total deposits, \$bn.	56.5	35.0	12.2	8.7
Total loans, \$bn.	32.4	19.9	8.4	6.4
Loan loss provisions, \$m.	254.1	152.0	69.2	50.4
Net earnings after tax, \$m.	201.7	81.0	65.3	39.9
Size ranking of banks by assets nationally	1	10	11	15
Approx. no. of employees, 1975	55	27	18	13

Sources: Salomon Brothers, Arnold Bernhard, Annual Reports, Federal Reserve Bank of San Francisco.

FINANCIAL PICTURE OF ALL CALIFORNIAN BANKS

	1970	1971	1972	1973	1974	1975
Total assets, \$bn.	32.6	35.7	41.8	50.6	58.2	64.8
Business loans, \$bn.	12.6	13.3	14.7	18.4	20.8	20.0
Total deposits, \$bn.	43.1	49.3	54.9	61.7	70.3	74.7
Time and savings deposits, \$bn.	28.5	33.5	37.2	42.5	50.9	54.2

Source: Federal Reserve Bank of San Francisco.

(\$bn.) 10.66 15.29 15.30 21.96 23.50

Banks of America (BOA) which now has 1,100 branches (about a third of the State's total) and after a couple of years of lying low has once again started advertising. Apart from the giant, the strongest gains are being posted by Wells Fargo and Crocker, both of which have compensated for their lack of muscle by being the first to bring out new customer packages.

Just as California's economy passed through the recession of the last few years with little damage, the State's banks have generally managed to out-perform their East Coast competition. While there are obvious exceptions to this on both coasts, only one of California's seven largest banks reported lower earnings over 1975. By comparison, eight of New York City's nine largest banks lost ground.

Despite increased borrowing on the consumer front, total California bank loans fell last year by \$2m, thanks to lower property borrowings and a sharp reversal in the upward trend of business indebtedness. While loans moved lower, deposits (especially those on a time basis) increased sharply from about \$70m. to \$78m., enabling banks to cut back on expensive CD issues. Generally falling interest rates enabled the banks to hold back the decline in their own lending costs and thus widen margins as part of the programme to rebuild liquidity, better capital ratios and increase loan-loss reserves.

Unlike many other banks across the country, which were badly hurt by loan write-offs from the real estate investment trusts (REITs) and other corporate disaster areas, the California banks seemed fortunate in having comparatively few loan problems. But while participation in New York City debt and REITs may have been small, with the notable exception of the Union Bank of Los Angeles, which was a heavy property lender, the State's banks did have their own loan problems—particularly in aerospace and overseas—which required increased loss reserves.

Necessity

Apart from the continuing necessity to set aside enough earnings to cover possible loan losses and having to work out the problem loans themselves, California's bankers are entering the year facing three main issues. The first is the continuing (if diminishing) spectre that the State's smaller banks may somehow succeed in persuading the Brown administration to curtail foreign banking expansion. Fears are that such a measure would invite foreign retaliation.

In addition, there is the equally improbable possibility that the legislature this year might finally ratify (against the lobbying of the smaller banks) a certain limited form of interstate banking under which Citibank of New York would be allowed to go after Californian deposits if BOA got a reciprocal privilege. Finally, there is the whole new S and L push into electronic banking, which could ultimately change the face of retail competition in the State.

The Californian economy is forecast this year to continue its already strong recovery. Although consumer borrowing is already moving ahead, most estimates suggest that the overall gain in loan activity will be held back by continuing sluggish business demand. In response to earlier warnings, slower and more cautious growth policies have been adopted and, in the aftermath of the deep national recession, the State's banks seem remarkably strong and very well placed to fund the State's accelerating recovery.

even if California was a mer, it has made up for the more quickly. Over the last five to ten years, California's banks have not only kept up with their more conservative New York City and so cousins in terms of doing for foreign business, but the whole time the West as a whole has blossomed a major international centre that may claim to be in the U.S. only to California.

year ago, the foreign of California's banks had modest. According Federal Reserve Bank of San Francisco, at the start of the decade only five West banks in the Fed's 12th (nine states in the including Alaska, Hawaii and Washington) had foreign assets of over \$100m. The last giving a regional total of \$7m.

by comparison, there least 11 such banks with aggregate foreign earnings and loan-loss ratios California accounts for these. Perhaps the strongest factor of all in this equation was the desire to participate in the very he size of foreign loans sharp rise of Californian trade base over the same five years more than 600 per cent more striking is the fact that the total value of West Coast trade (imports plus exports) rose from around \$10bn. to \$37bn.—the very largest gain coming from Japan specifically and the Pacific generally. Although the recent international recession has obviously

But the great hope of the future is solar energy. Californians, if not given to sacrifice, are long on brains and ingenuity. Builders of space hardware are already talking seriously of power stations in outer space to tap the sun's power on such a scale as to make the nation an energy exporter. That may not come off until the next century. But already, if the gas hook-up on my neighbour's pool is taken from him, he can invest in a solar heater to take the chill off the water on a spring morning.

isolation year, in the teeth of opposition, both of Congress cleared the way to open up BLM lands through 1,200,000 acres. This would be enough if the State's needs for oil and fuel industries vital. With part of the earmarked for a strategic there would still be pumped out—for as \$2-\$3 a barrel—to cut

decision to lift their noses beyond their home backyards was as much due to fears that the State's long-term economic growth was falling off as to the actual growth potential overseas. The annual rate of growth in State personal income has been slipping back over the last few years, while there was a growing demand by multinational for foreign servicing, booming West Coast trade and signs that both foreign earnings and loan-loss ratios were comparatively attractive.

Altogether banks from some 16 countries are represented. However, not all attempts to enter California have gone smoothly—in January, 1975 a huge public outcry forced Saudi Arabian businessman Adnan Khashoggi to drop his bid to buy a San José bank. Those which have succeeded have all found themselves to be in one of the most competitive bank retailing markets in the world.

The very factors which gave the California banks their original growth—the large affluent and very mobile population combined with a relatively high percentage of small sized corporate business—has worked to concentrate competition at the customer level in a drive for marketing superiority.

In contrast with the large East Coast banks, local commercial and industrial lending activity is relatively small. At the same time, the much more important retail sector is a scene of intense competition. Most recently, the savings and loan institutions—limited by branching restrictions but often able to offer better rates—have spearheaded a drive towards more innovative financing packages and electronic branching.

dampened this boom, renewed sharp growth is forecast for both 1976 and 1977.

In very much the same way that this proved an irresistible attraction to the California banks, it also served to speed up the movement of both out-of-State and foreign banks into Los Angeles and San Francisco. Whereas just 10 years ago California had no more than three Edge Act corporations (out-of-State owned wholesale banking outlets), to-day it has 22. Over the same decade, the number of State-chartered foreign banks and agencies in the State has leapt from respectively six and seven to 15 and 43.

In terms of aggregate assets, the Japanese make up the largest foreign contingent in the State, closely followed by both the British and Canadians. Lloyds, through its 1974 purchase of First Western Bank and Trust, is the largest single foreign bank in the State.

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Affluent

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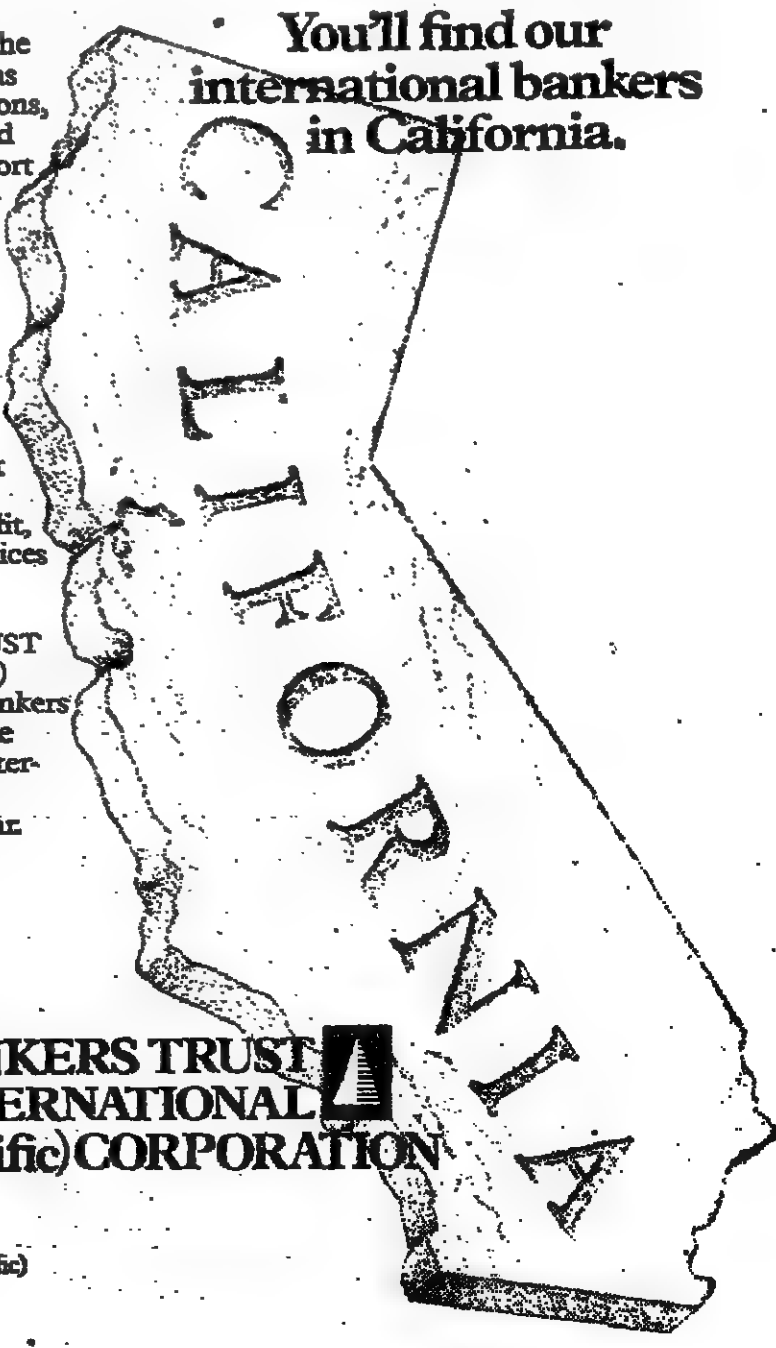
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CALIFORNIA IV

Environmental battles

DEPENDENT ENTIRELY on these urban sprawl, air pollution, excessive freeways and either the State has gone far too far in regulations to protect its environment or, alternatively, the rest of America has not gone far enough. Either way, there exists little disagreement that California, while it may not have led the way on every single issue, has collectively done more than any other State in the U.S. to protect its natural beauty from the sores and scars of modern technology.

At one end of the scale is big business (and increasingly organised labour), which quite seriously and certainly with some justification blames hazardous over-regulation for the State's sharp slowdown in economic growth, its higher than average unemployment level and the lack of new business moving in.

Contrary

The contrary view is held by the Sierra Club, other environmental groups and, seemingly, a large slice of the electorate. At least since World War II (and some would go back even further) the conservationists have won most of the key battles in the State, giving California, among its regulations, the toughest auto pollution rules in the U.S., sweeping coastline building restrictions and a measure to prevent deforestation. Not entirely by coincidence, California also has the largest number of State and national parks in the union.

In one sense, it is hardly surprising that California is responsible for giving birth to America's more influential and better-known conservationist lobbies. As a State, it is not only boasts a range of natural beauty possibly unsurpassed anywhere in America but it unfortunately also contains some perfect examples of the very abuses environmentalists want to avoid.

On the one hand California has the Sierra Nevada Mountains, the giant redwood forests, the spectacular Yosemite and Death Valley national parks and mile upon mile of Pacific beaches. On the other, it provides countless examples of

and the ARB, which uses its powers to fine offenders, is threatening a further tightening up of standards next year. Detroit, predictably, is fighting hard to prevent further expensive regulation of its market.

A further area where the environmentalists seem safe is their battle to protect the huge redwood trees from overcutting. Despite howls of protest from the State's massive timber industry — and a brief strike which some say had as much to do with low demand from the recession-hit construction industry as anything else — a measure has been put through enlarging a redwood national park and placing further limits on cutting.

Approved

But all these measures are ones that have been, perhaps only temporarily, approved and enforced. The two main issues now coming up are first, measures to preserve prime agricultural land (now being lost at over 25,000 acres a year), and second, the "referendum" over the nuclear power issue.

Whatever its critical importance in terms of food prices, the agricultural land issue is not raising much concern except in the construction industry. The same cannot be said for the nuclear power initiative.

Well publicised in recent weeks by the resignation of several senior engineers on the grounds (or rather the lack of) safety, the nuclear issue is on this summer's ballot. Strongly opposing are the utilities, who argue convincingly within limitations that any such ban would critically hurt America's chances for independence in energy.

Supporters of the Bill cite safety concerns of a runaway plant at the emotional level. Underneath the main opposition seems to stem more from arguments that such plants are an expensive misuse of resources.

"Conservation," the Sierra Club argues, "could be the greatest possible energy source and, however one looks at it, nuclear plants are not the most benign and least disadvantageous energy source."

But the sale was finally allowed last December after countless legal challenges. It was, however, a major flop for the Government — of a reduced 1.25m. acres put up for sale, only 300,000 were sold. Legal action to stop exploration of these is continuing.

The battle against car and general air pollution is being spearheaded not by any environmentalist group but by a State agency, the California Air Resources Board. Car exhaust emission standards in the State are much tougher than the existing federal limits.

But the area was also opposite some of Southern California's finest beaches, which still bore the scars of the infamous 1969 Santa Barbara oil spill. Despite oil company promises to hide drilling rigs under false palm trees, an uneasy alliance of local business, town councils and environmentalists opposed the sale on the grounds that, while drilling would be outside jurisdiction, port facilities could be banned locally.

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But the area was also opposite some of Southern California's finest beaches, which still bore the scars of the infamous 1969 Santa Barbara oil spill. Despite oil company promises to hide drilling rigs under false palm trees, an uneasy alliance of local business, town councils and environmentalists opposed the sale on the grounds that, while drilling would be outside jurisdiction, port facilities could be banned locally.

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Solid success in high technology

IN INTERNATIONAL commercial circles, California is probably as well known for its innovative and generally very successful high technology companies as it is for both wine and aerospace. Although prominent in Southern California around the huge aircraft makers, the lion's share of the State's electronics companies are located not far from Stanford University, in a single 25-mile long strip at the foot of the San Francisco Bay in Santa Clara County.

Designated some time ago as "Silicon Valley" to distinguish it from its famous and more Government - contract - oriented competitor Boston's Route 128 "Electronics Highway," the Bay area is now estimated to contain something over 1,000 individual companies in one of the densest concentrations of innovative technology anywhere in the world.

The companies range in size from single entrepreneur garage operations to such international giants as Hewlett-Packard, Varian and Fairchild. Attracted by such local talent and such potential growth opportunities, both International Business Machines and Xerox have opened research centres locally and venture capitalists have moved in.

Outside estimates currently suggest that the Bay area technology companies employ nearly 200,000 people and indirectly or directly account for perhaps 10 per cent of total U.S. electronics sales. However, impressive, such statistics do not tell the whole story — above all, the Silicon Valley has been and continues to be a seedbed and breeding ground for technical progress and new ideas affecting

companies around the world. To-day the Bay area contains companies operating in such diverse areas as lasers, microwave radar and communications, semiconductors, instrumentation, computer software and pure consumer electronics. But despite this range of technologies, the "electronics" industry locally, and indeed in the rest of California and the U.S., was not able to avoid being hurt by the last recession.

"The community of technical scholars," as one Santa Clara executive described the scene, "paid the price of being commercially oriented." Nowhere was this more evident than in the prominent semiconductor sector, which, after a boom in 1973 and early 1974, suffered a subsequent violent slump in orders, from which the industry is only now recovering.

Supply

Pre-slump panic buying, as semiconductor users placed double and even triple orders to ensure supply in a tight market, caused the sector's downturn to be especially severe. Then, after gearing up production to meet heavy orders, companies suddenly found new bookings dropping and a high percentage of existing orders to be false.

New orders dropped to well below half capacity in late 1974 and the first six months of 1975. Against a historic annual growth of about 80 per cent, deliveries over the whole 12 months of last year fell by over 40 per cent, despite a modest gain in the second half.

But the semiconductor downturn was as brief as it was

Aerospace troubles

EVER SINCE World War II, while existing spare capacity could defer any new aircraft order boom for at least three or four years.

Well aware that even four years could prove optimistic, the State's two passenger jet manufacturers have already sharply reduced their production rates in a desperate attempt to stretch out existing orders and keep the lines open until the upturn finally materialises. In taking such a step, both Lockheed and McDonnell Douglas have placed an added strain on their finances by deferring still further break-even points and full amortisation of original start-up costs.

McDonnell Douglas delivered 43 DC-10 jets last year and forecasts 1976 deliveries to be about 20 aircraft. But such rates of delivery are misleading, given the long lack between order and final production. This year the DC-10 production rate has been cut back to under one a month (the 1975 delivery rate) against a peak of nearly one a week two years ago. Having delivered 212 aircraft, it has outstanding only 30 firm orders and 34 options against its full amortisation/break-even point of 400 deliveries.

Lockheed is in much the same boat with its Rolls-Royce powered L-1011. While deliveries last year totalled 25 before dropping to a forecast 16 in the current 12 months, its production rate has been slashed to between six and nine a year from a peak rate of well over 40 a year three years ago. So far 124 L-1011s have been delivered, and to take it towards its 300 amortisation target, the company has an estimated 49 firm orders and apparently 49 further options.

Slump

The turning point, at least for California, came in 1968. That was when the State's aerospace companies, after dramatically increasing annual employment over the previous decade, first moved to cut back sharply on their rate of new hirings. A year later, some 27,000 workers were laid off in what was to prove the first stage of a three-year slump that would drop total industry jobs from a peak of nearly 600,000 to 440,000.

To describe the aerospace complex as one single industry is really misleading. As a sector, it includes everything from the building of commercial jets to military fighter bombers and missiles, as well as transports, space shuttles and ultra-sophisticated industrial electronics support programmes. Normally any slump in one line will be more or less balanced by an upturn elsewhere but, to California's misfortune, 1968 proved to be the exceptional year when all cycles headed lower into a recession which, despite one brief upturn, still continues.

After rising steadily since the Kennedy era, moon mission spending was virtually complete and in 1967-68 the National Aeronautics and Space Administration (NASA) budget started decreasing. At the same time California's share of the defence budget slumped as the Vietnam war switched priorities away from sophisticated systems to battle hardware, while, to complete the triangle, commercial aviation turned sour as carriers hurriedly readjusted downwards their over-optimistic traffic growth forecasts.

Although most forecasts suggest that military spending in California is moving ahead this year and is likely to maintain a slow and unspectacular rate of growth over the next few years, this is unlikely to offset the continuing severe problems on the commercial side. Passenger traffic growth (the key factor in carriers' aircraft purchase plans) is effectively static,

while existing spare capacity could defer any new aircraft order boom for at least three or four years. Well aware that even four years could prove optimistic, the State's two passenger jet manufacturers have already sharply reduced their production rates in a desperate attempt to stretch out existing orders and keep the lines open until the upturn finally materialises. In taking such a step, both Lockheed and McDonnell Douglas have placed an added strain on their finances by deferring still further break-even points and full amortisation of original start-up costs.

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This year's defence budget shows the first real upturn for at least four years and, boosted further by strong Middle East sales of sophisticated weapons, an ever-accelerating recovery with a matching jump in jobs available seems likely. Work is continuing on space boosters at Lockheed, while hopes are increasing that this year might see the controversial B-1 bomber at Rockwell get a final go-ahead.

But despite growth on the military side, few can doubt that the worst of the commercial slump is still to come in terms of layoffs.

Statistics

Both McDonnell Douglas and Lockheed have current problems over and above these simple grim statistics. In McDonnell Douglas's case, it is more than 300 individual lawsuits stemming from the crash of a Turkish Airline's DC-10 near Paris two years ago. The company itself will not reveal the size of its insurance cover and, with very high court settlements just having been made to the families of two victims, concern is increasing that the company itself might find itself eventually with a corporate liability over and above its cover.

But however much harm that crash and the lawsuits have done to McDonnell Douglas' image and its prospective sales, it hardly compares to the sheer scope of problems facing Lockheed. The company, which has been struggling to survive financially with the help of Government loan guarantees, has been shaken to its very roots by disclosure that it paid out more than \$22m. in bribes to foreign politicians since 1970 to procure overseas aircraft sales. As a direct result of this scandal (money allegedly went

Newhall is California

The NEWHALL LAND AND FARMING COMPANY was founded in 1883, just 33 years after California achieved statehood. The Company is one of the largest landholders in California and approximately half of its properties have been held since 1883. This older land was acquired from Henry Mayo Newhall, an auctioneer in California during the Gold Rush days, who expanded into railroad building and later purchased a number of Spanish land grants.

Agriculture

Newhall is one of the largest and most diversified farming organizations in California. More than 20 different crops are grown on 60,000 acres of irrigated land.

The Company processes poultry, dairy and live-stock feeds in the form of dehydrated alfalfa, sugar beet pulp and suncured alfalfa cubes and pellets at four locations. These products are marketed domestically and overseas.

Recreation

Recreational activities are an integral part of the Company's master planned community of Valencia, located in north Los Angeles County. Magic Mountain, Newhall's family amusement park, offers more than 50 rides and attractions within the 200-acre complex.

Other recreation operations include three public golf courses, a trailbike and moto-cross park, and an overnight recreational vehicle park.

Energy


Newhall is engaged in the oil and gas business in two different forms. It receives royalties and other payments from five fields on Company property. It also is actively engaged in gas exploration as a 50 percent joint venturer with Atlantic Oil Company

on property belonging to others, primarily in the Sacramento Valley. Through this venture Newhall owns working interests in 90 producing wells with reserves in excess of 60 billion cubic feet.

Real Estate

Newhall's activities in shelter and diversified real estate center around the development of the "new town" of Valencia, California. The master plan, prepared by the world renowned community planner, Victor Gruen Associates, provides pleasing environmental elements, recreational amenities and high development standards, all designed to enhance values. The plan involves 5,000 acres, 11,000 dwelling units, and a population of 35,000 residents. Currently, Valencia boasts a population of 12,000. Real estate activities also include land sales and commercial development.

For the year ended February 28, 1975, the Company achieved revenues of \$82,136,000 and net income of \$6,638,000, or \$1.21 per share. The Company has estimated earnings for the fiscal year ended February 29, 1976 will be 10 to 20 percent higher than fiscal 1975.



Property	Acreage	Date Acquired
1. Wilson	4,800	1959-64
2. Adams	8,600	1963-67
3. Meridian	5,500	1912-66
4. Cowell	1,900	1959-66
5. Wood	800	1965
6. Mt. View	150	1959
7. Merced	15,300	1954-67
8. New Columbia	28,400	1947-64
9. Burrell	4,100	1967
10. Suey	37,800	1883-1963
11. Newhall	40,900	1883-1967
Total	148,250	

Listed New York Stock Exchange
Symbol: NHL

For further information contact—James F. Dickason, President and Chief Executive Officer

The Newhall Land and Farming Company
27050 Henry Mayo Road, Valencia, California 91355/Telephone (805) 259-2511

Strife looming on the farms

RNIA'S GROWERS and however, concerns the political producers again, led harvest he had reaped less than in 1975 in both farm a year ago by seemingly bringing down the cashing peace to farm fields wracked by a decade of violence.

Last summer the Governor pushed through his first major agricultural front. But piece of new legislation, a compromise between growers and labour, discorded promise reform measure effect beginning of 1976, five from August 29 that at last gave farm workers the right to elect by secret ballot their choice for union representation. The 38-year-old Governor was hailed for pulling off what his predecessors, Mr. Ronald Reagan, and his own father, Edmund G. (Pat) Brown, failed to do during their total 18 years in office. The achievement provided the initial thrust behind the U.S. crop, and early moves to boost the Governor's potential as a contender for the 1978 Democratic nomination for vice-President, possibly even President.

But the California Agricultural Relations Board set up under the new farm law to supervise secret ballot union elections ran out of money and closed its doors last month. The shut-down came after last-minute talks between Republican and rural Democratic legislators and the Governor failed to hammer out a compromise to allow passage of an emergency \$3.8m appropriation to keep the five-member board in business.

Growers charge the board and the law with being pro-labour and they are demanding amendments that would give farmers more say in how unions operate. The Governor says that he is confident negotiations will eventually be successful and that the board will soon be back in operation, but he has a difficult row to hoe ahead. Cesar Chavez, leader of the United Farm Workers of America, responded to the funding failure by resuming the organisation's militant stance against big growers. He has pledged a boycott of large farm operators "to pin them to the wall" for blocking funding of the now-defunct Farm Labour Board.

His first targets are Sun-Maid Growers, a 2,000-member raisin growers co-operative; Sunwest processed fruits; and the products of half a dozen other growers in the Fresno area of California's central San Joaquin Valley. These, Mr. Chavez, says, are the growers responsible for stopping the emergency legislative appropriation proposed by the Governor and, he promises, "if the growers want to fight, we'll fight. The growers can't have it both ways. They have to have war or peace. They can't have both."

The fiery farm workers leader asserts his movement will "beat them with the boycott," a tactic used in earlier years with mixed success, most notably against California lettuce and grape producers. With the boycott machine oiled and running again, growers will come to the Governor and the State legislature "crying for money to reactivate the Board," he declares. Rural lawmakers, though, insist that they will hold out for changes in the farm law to make it "fair and equitable" by patterning it on the existing National Labor Relations Act before approving money to keep the farm labour Board going. Governor Brown, however, is opposed to any amendments to the present law.

JOHN DELUCA, president of the Wine Institute, the organisation of California wineries, reported last month that shipments of California wines in 1975 set an all-time record of 272.5m. U.S. gallons, 22m. more than that in 1974 and an increase of 8.4 per cent. Pointing out that the overall wine market in the U.S., including imported wines, had grown by 4 per cent in 1975, Deluca said, with understandable satisfaction, that "California wine is increasing its share of an expanding market."

But little of that satisfaction was felt in the vineyards. The California Association of Winegrape Growers has pointed out that growers will have received an average price of only \$93.50 per ton in 1975 compared with an average of \$131 in 1974. Kirby Moulton, an economist of the University of California who specialises in viticulture, announced to a packed meeting of growers at the university recently that an estimated 18,000 acres of vines will be torn up this year—many of them so recently planted that they have not yet started to bear fruit.

This might seem paradoxical to a European, to whom grape-growing and wine-making are two sides of the same coin, but the high prices paid for grapes especially for varieties like Chardonnay and Cabernet Sauvignon where demand far exceeded supply—encouraged a rapid extension of vineyards, sometimes in unsuitable areas, and almost always without much thought to the eventual disposal of the fruit. Naturally, the consequent chaos has suited the wineries very well. There are such large crops to choose from that quality can be raised simultaneously with a reduction in costs. But it has brought anguish, and sometimes bankruptcy, to the grape-growers.

The consumer is everywhere confronted with the result. Cabernet Sauvignon wines, for example, as a type considered among the best of California, can be bought for as little as \$1.69 a bottle, and even if wines at that price are hardly the stuff of *crus classes* they are excellent value. Even the jug wines of California, sold by the gallon or half-gallon, the U.S. equivalent of the *litre de douze degrés* that stands on every middle-class French dining table, has improved in

California, largely as a result of the years of prohibition when vineyards could not exist but wineries could not, grape-growing and wine-making are distinct and separate activities.

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qualify this past year, thanks to the greater availability of sound wine grapes, and the diminishing reliance on Thompson seedless raisin grapes to make up the tonnage needed for the ordinary wineries.

Despite gloomy forebodings, the imbalance is likely to be short-lived. Nevertheless, it will have provoked some radical innovations in the marketing of California wines, and will have hastened some predictable changes.

Broadly speaking, California wines are sold either as generics, debasing the names Burgundy and Chablis to mean plain "red" or "white" wine, or they are sold as varietals, attaching the name of the principal wine grape used in the blend. California wine law insists that for a grape name to appear on a label, that variety of grape must be not only the principal grape in the blend, but must make up at least 51 per cent. of the volume.

The quality wineries of the coastal counties (fine wines are made in the little valleys that open to the ocean breezes; the ordinary wines are made in the wide, hot central valley) will often use only the grape varietal named on the label. They will usually show the vintage of the wine (contrary to

popular belief, vintages vary in decided that it could no longer accept responsibility for new geographic usages. A series of public hearings in April will determine whether the bureau will continue its work, aided by advisory committees in each wine-growing State, or whether the determination of appellations of origin will be undertaken by State agencies. With so many of the once-prestigious varietal names, now applied to bargain gallons, the question is of urgency to the small quality wineries which must find some means to distinguish their wines from the newly commonplace.

Art Garcia

Wine shipments break records

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One of the first to put fine varietals into jugs was the firm of Sebastiana, a winery that successfully projects an image of little old home-spun family wine-makers. Its temerity has won it markets where it was barely represented before, and its sales, already healthy, have almost doubled in 1975 to roughly 1m. cases.

They were soon followed by Geyser's Peak, a winery owned by Schlitz Brewery. Unlike Pillsbury, which has made no secret of its desires, even its need, to unburden themselves of its investment in Sauerbrunn winery, Schlitz seems undaunted by its early disappointments, and is quick to apply unconventional thinking to solve its problems.

But the gush of varietal wines, some of barely modest quality, has added to the alarm of the producers of fine varietals in the coastal counties north of San Francisco. Their peace of mind has already been shaken by the rapid development of Monterey County, south of the Bay, as a fine wine area. From barely 2,000 acres of varietal wines planted at the beginning of 1971, Monterey County had close to 40,000 acres planted by the close of 1974, twice as much as Napa County, and almost as much as the whole of Napa and Sonoma, the traditional fine wine areas, put together.

The growers and wineries of Napa and Sonoma have seen plainly that varietal names alone offer them no protection from competition, and they are falling back on the names of their counties, valleys and towns to provide the prestige and cachet that was once inherent in the name of the grape itself. The spate of new geographic names that the Federal Bureau of Alcohol, Tobacco and Firearms was being asked to approve for label use became so copious and complex that the Bureau

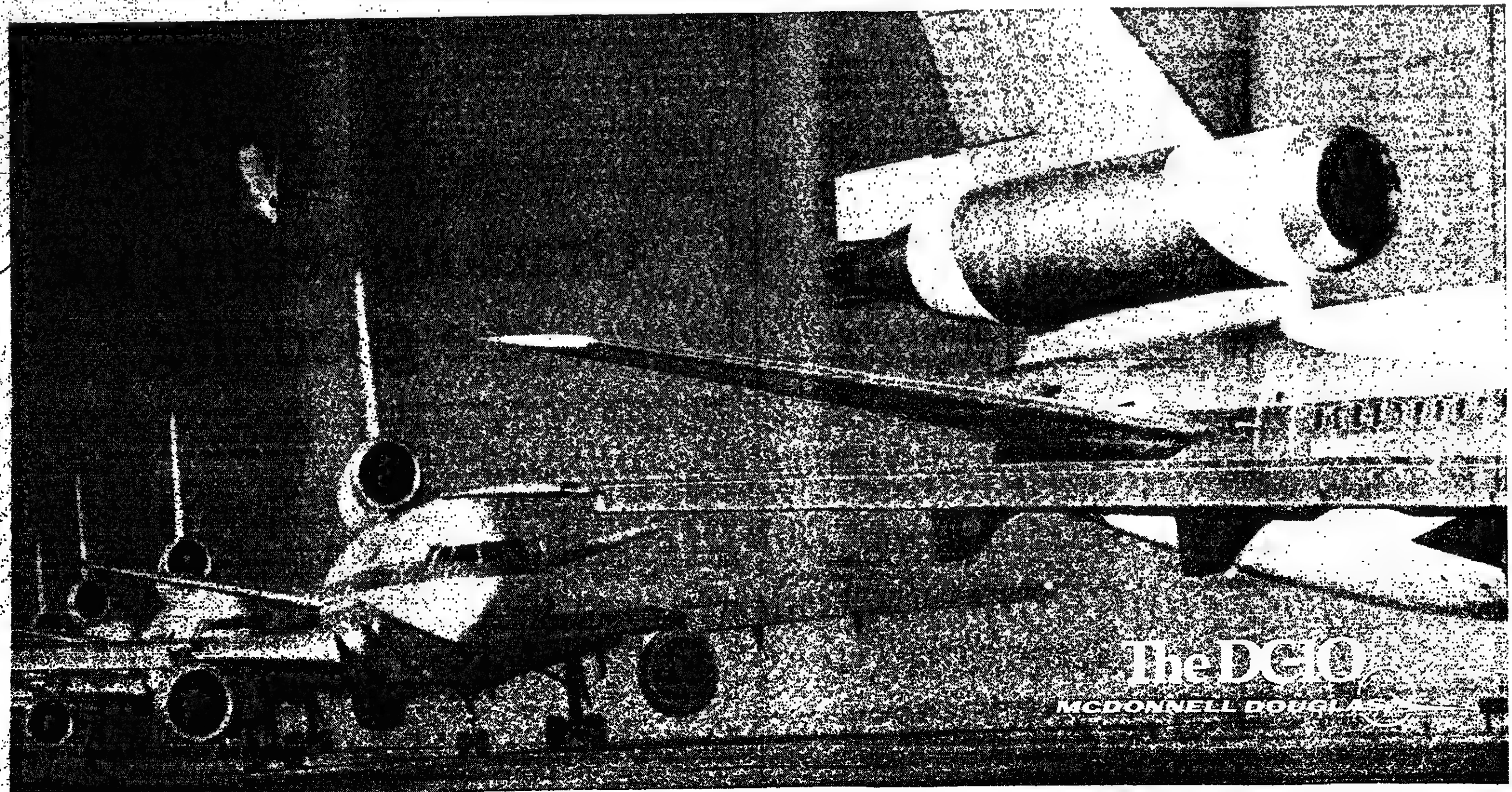
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Gerald Asher

Times may get worse. Times may get better. Right now they're uncertain. And in uncertain times DC-10's are flying.

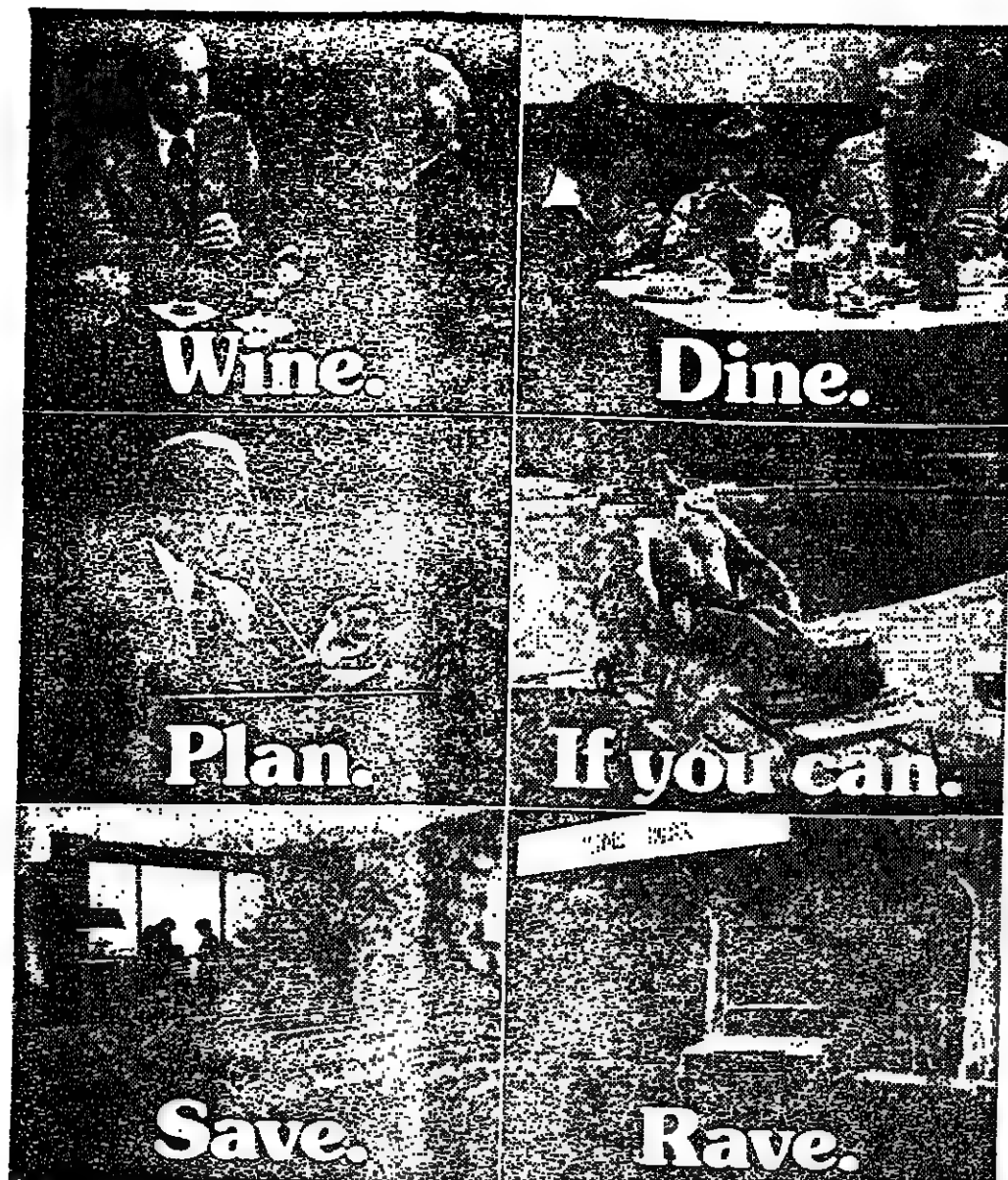
The reason? Simple economics. The DC-10's fuel and actual per mile costs are less than for any other 3 or 4 engine wide-body jetliner. The DC-10 is large enough to handle peak traffic loads, yet flexible enough for seasonal route changes. Its applications aren't as limited as some wide-body jetliners.

And DC-10s are efficient on medium as well as long-range routes. In the United States, more DC-10s fly domestic air routes than any other 3 or 4 engine wide-body jetliner. Worldwide? 34 leading world airlines have chosen the DC-10. Uncertain times? Not for DC-10s.



The DC-10
MCDONNELL DOUGLAS

CALIFORNIA VI



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Travelodge is a member of the Trust Houses Forte Hotel & Catering Group of London, England.



A scene from "Farewell my lovely," based on the novel by Raymond Chandler, starring Robert Mitchum. The film was made on location in Los Angeles.

The magical rebirth of Hollywood

JUST THREE short years ago, People started going to the Warner Brothers, and Walt Disney was crumpling away before our eyes. Twenty years ago, MGM was the only place to go for movies. Now, the industry is a mix of old and new, with a new Hollywood emerging, a more impersonal place, taken from stars and directors by conglomerates, computers and high-powered business managers.

These financial experts took no sides in the long, bitter rivalry between movies and television; quite the contrary. They saw the two as one, and ordered it should be so. The shotgun wedding had a happy ending, at least for the companies involved (movielovers had their doubts).

Profits were up by around 12 per cent last year, with Americans spending close on \$2bn. at the box-office, and many a splendid deal between big studios and the networks, such as Paramount's whopping sale, for \$78m., of 42 recent movies to CBS, NBC and ABC—and MGM's magnanimous decision to accept \$5m. for the first-ever TV showing (once only) of *Gone With The Wind* as "part of the bicentennial celebrations." And so to-day Hollywood is as much a TV factory as a movie-making machine.

But something funny happened on the way to 1978.

While everyone in the industry is happy about this, some are less happy than others. The unions point out that big profits are being made with a handful of films, that production actually declined last year, and that more and more power is being concentrated in fewer and fewer hands. Some 80 per cent. of the Screen Actors Guild's active members cannot find regular work in show business.

There are only seven major suppliers of movies in to-day's Hollywood—MCA (Universal), Paramount, Columbia, 20th Century-Fox, United Artists, and

on making the film, giving each partner a \$345,000 write-off. After-tax benefit for a partner in the 50 per cent. bracket (that is \$44,000 a year and up) is \$173,000. *Gatsby* now seems certain to make \$35m. in its lifetime, which will give each partner his investment back, plus \$467,000. About half of this will be used to pay off the bank loan. The remainder is taxable profit.

Things don't always work out so well, but more and more investors in high tax brackets are trying their luck. Congress, however, is looking at these schemes with a baleful eye, and if later this year legislators decide on severe reform measures, the movie industry is likely to be consolidated still further in the hands of the few at the expense of the independents.

The shortage is good for the independents, says Mr. William Borchert, of Talent Four Artists. "There's a desperate need for more product and we can supply it. I think the industry is only in the early stages of its biggest-ever growth curve." But the independent producer must go outside for his money, which is one reason why the limited-partnership, tax-shelter deal has become so popular in the last couple of years.

Recent money-makers like *The Great Gatsby*, *Shampoo*, *Funny Lady*, were all tax-shelter films. There are many variations on the scheme but with the six-year contract—the largest in *Gatsby* case. It went this way: Eighteen partners each put up \$100,000, with Chemical Bank of New York lending the rest of the \$6m. budget. Because the partners, calling themselves Fitz Service Co., can be described as "a going concern or business" with no inventory or capital assets, they can write off all expenditures as business expenses in the year they occur. In one year, \$6.2m. was spent

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Things don't always work out so well, but more and more investors in high tax brackets are trying their luck. Congress, however, is looking at these schemes with a baleful eye, and if later this year legislators decide on severe reform measures, the movie industry is likely to be consolidated still further in the hands of the few at the expense of the independents.

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Think about it.

Concentrated

While everyone in the industry is happy about this, some are less happy than others. The unions point out that big profits are being made with a handful of films, that production actually declined last year, and that more and more power is being concentrated in fewer and fewer hands. Some 80 per cent. of the Screen Actors Guild's active members cannot find regular work in show business.

There are only seven major suppliers of movies in to-day's Hollywood—MCA (Universal), Paramount, Columbia, 20th Century-Fox, United Artists, and

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Gracious setting for the good life

THERE IS much that is easy to criticize about California, from its smog-choked cities and clogged freeways to its trend-setting garishness and home-grown "kookiness," as well as the comic character of much of its politics and many of its causes. It is even easier, however, to raise America's third largest State territorially (behind Alaska and Texas), and its most populous, for all that makes it truly unique and appealing.

California is a genuine land of contrasts in scenery and lifestyle. Here, leisure is a way of life and tourism the third largest industry after agriculture and manufacturing. Some refer to California as a "world within a State," which is but mild hyperbole to those enchanted by the smorgasbord of delights that make up the State: its breath-taking mountains, cities of colour and character, thousand miles of sun-swept beaches, vast deserts,

rolling plains and fertile fields. Man-made marvels (Disneyland and the Golden Gate Bridge) and natural wonders (Yosemite, Lake Tahoe, the redwoods) abound.

Vitality and variety are at the heart of what makes California. It is still possible in a single day to swim in the Pacific Ocean, drive along fruit-filled orange and lemon groves, pass through snow-covered mountains and then stand among the silent stretches of desert sands.

Recreation, such as water sports, golf, tennis, hunting, hiking, bicycling and amusement parks are a part of the California experience. Yet wilderness areas remain as they have for centuries, offering suburban families escape to the scenic wonders of sierra trails, giant sequoias that were young when the world was new, and back-country streams and lakes. There are coastal, mountain and

desert resorts, historical gold rush mining towns, a string of 21 old Spanish missions, and more national parks than in any other State.

There is great diversity too in California's weather, from the desert heat of Palm Springs and Death Valley to the alpine snows of the high mountains. But these are the extremes. Most of California enjoys a dry, sub-tropical climate, claimed as the only one in the U.S. There are no bad seasons in Southern California, the natives boast. With little rain, low humidity, little variation in temperature, and plenty of sun. With all that their State has to offer, that California is an active breed that is growing younger (nearly 20 per cent. of California residents are between the ages of 18 and 44).

The diversity that is the State offers opportunities for dune-bugging in the Imperial Valley, near the Mexican border, canoeing along the Russian River that winds through groves of redwoods, deep-sea fishing off Santa Catalina Island or Monterey Bay, surfing at Malibu, house-boating through more than a thousand miles of inland channels, water-skiing at hundreds of lakes and resorts, hang-gliding off beach cliffs, skiing at Squaw Valley or gambling at Las Vegas and Reno in neighbouring Nevada. With recreational facilities as its landscape, California has some characteristics that are peculiarly her own. Here the highest and lowest points in the contiguous U.S. are only 84 miles apart. Mount Whitney rises to 14,495 feet to cap the soaring Sierras and can be seen from Badwater in Death

CONTINUED ON NEXT PAGE

A tale of two cities

THE CITIES of San Francisco and Los Angeles are the opposites of Californian life—the one cool, elegant, a romantic dream in which the past is ever-present; the other flashy, vulgar, vital, and quite probably the shape of things to come. But beneath the surface rivalries, the two cities have things in common—mostly problems of the kind endured by so many American metropolises to-day.

Thirty years ago, John Gunther wrote that "San Francisco is tranquil and mature, whereas Los Angeles is the home, par excellence, of the dissatisfied." To-day, the roles have changed: San Francisco has become a magnet for the disaffected, and lost its tranquillity along the way; and Los Angeles has matured into the largest city in area on earth, its 484 square miles crowded with some 3m. souls.

Valid

Unexpectedly, Los Angeles—a community built wide, while San Francisco, like New York, is built high—has become a more valid urban idea. LA has been called every name in the book, from a "circus without a tent" to "the city of dreadful joy" (Aldous Huxley). It's a crazy quilt of communities, districts and enclaves of wildly differing character, dotted with 225,000 private swimming pools, linked by 680 miles of motorway that carry the world's greatest concentration of cars. It is often ugly, especially on days when the yellow smog prisms programmed by computers out the encircling mountains; but it can also be strangely beautiful. And at least it's not going broke!

Such excesses would not, of course, be considered by those alarmed at the possibility it might follow in New York's footsteps—San Francisco's face-lift in recent years.

Despite her woes, the "queen of the Pacific," as Louella Parsons used to say, never looked lovelier. At last Market Street has been cleansed of the dust, dirt and barricades necessitated by the building of BART, the new billion-dollar subway. With its red brick pavements, its splendid Victorian lamp standards and its lining of trees, Market Street at last seems what the planners promised—one of the world's great boulevards. BART has troubles too—a \$5m. operating deficit for one—but it looks good, it's a comfortable ride and it's carrying 60,000 people a day, thus reducing traffic on bay bridges.

The once-thriving port has lost most of its business to containerised Oakland, across the bay. Lack of foresight—to put it kindly—on the part of ex-Mayor Joseph Alioto's administration is blamed. Next fiscal year the port faces a \$700,000 deficit, which will have to be made up from the city's general funds, that is, subsidised by the taxpayer.

Los Angeles has no such financial problems. Its port is booming. It has three flourishing business districts: downtown, where the nation's largest urban renewal project is under way; the older, staller Wilshire area; and glassy new Century City, dominated by twin towers of triangular shape 44 storeys high. The city fathers have just blown \$1m. on something called the Triforium, the centrepiece of the new downtown mall: it's a 65 foot tall three-legged tower splattered with rainbow-coloured days when the yellow smog prisms programmed by computers to flash in time with the tains; but it can also be music it plays—anything from rock to the Ring.

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Gallows

And San Francisco is still the nation's most liberal city. A new district attorney announced recently that he would not be prosecuting many drug, prostitution and "consenting adults" cases because he wanted to concentrate on violent crime. There were jokes about bisexual year. In fact, "vice" has not been an object of prosecution for some time: the San Francisco cops have been regular guys for years now. Sheriff Dick Hongisto makes a point of attending the annual "gay" gala ball. With around

100,000 homosexuals in the county he has to, if he wants to get re-elected.

Los Angeles is tougher, especially on "gays." Police Chief Ed Davis ("I am the meanest police chief in the history of the U.S.") does not like them one bit, and says so. Mr. Davis it was who suggested hanging hijackers from a portable gallows at airports.

In the past, Easterners have seen California as a cultural desert. There was some hope for San Francisco, which had, after all, its own opera. But LA? Ugh. This is changing. One may not like LA, but it is becoming fashionable to concede that it is the centre of the pop-cultural universe, and a vastly stimulating place. This is where nearly all TV is made, and where America sees itself reflected in the images of movie screen and video. The big question for LA is not: "Is it good: will I like it?" but "Is it new: will it sell?"

"Almost everyone with talent has gone West, mostly to LA," says a top New York agent who numbers Barbra Streisand among his clients. (Streisand lives in Malibu). "LA is going to be the most important city in the U.S., if it is not already. New York has had it, it has been outclassed." So why is

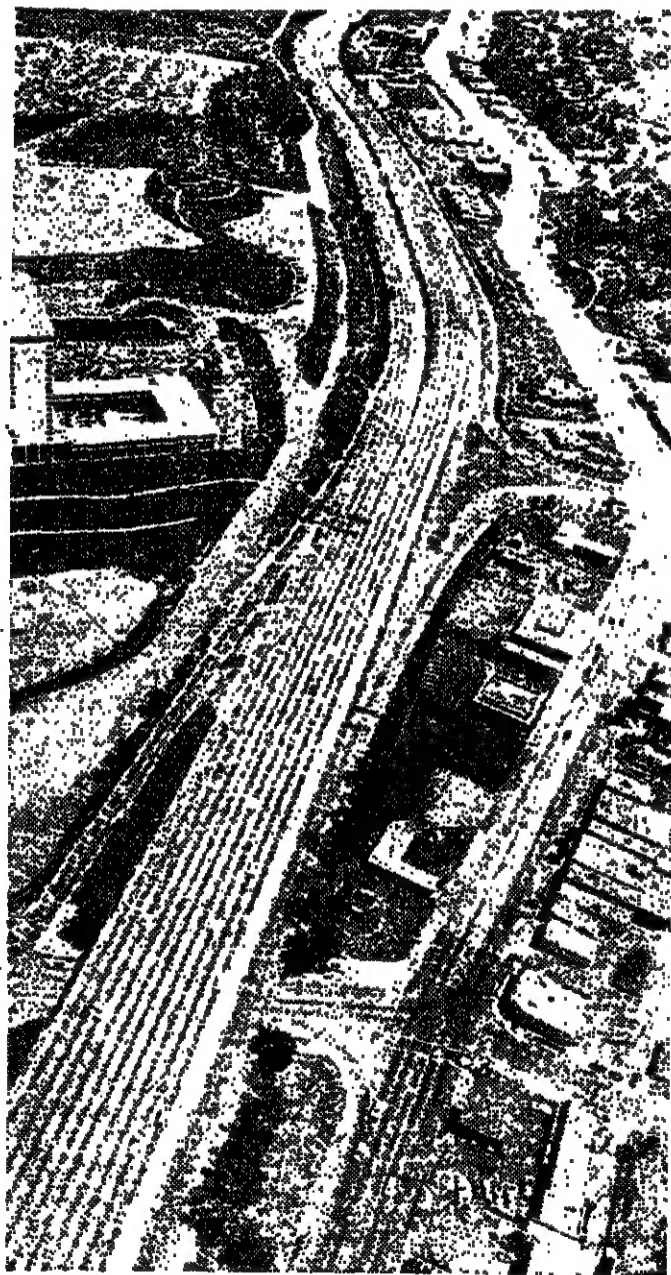
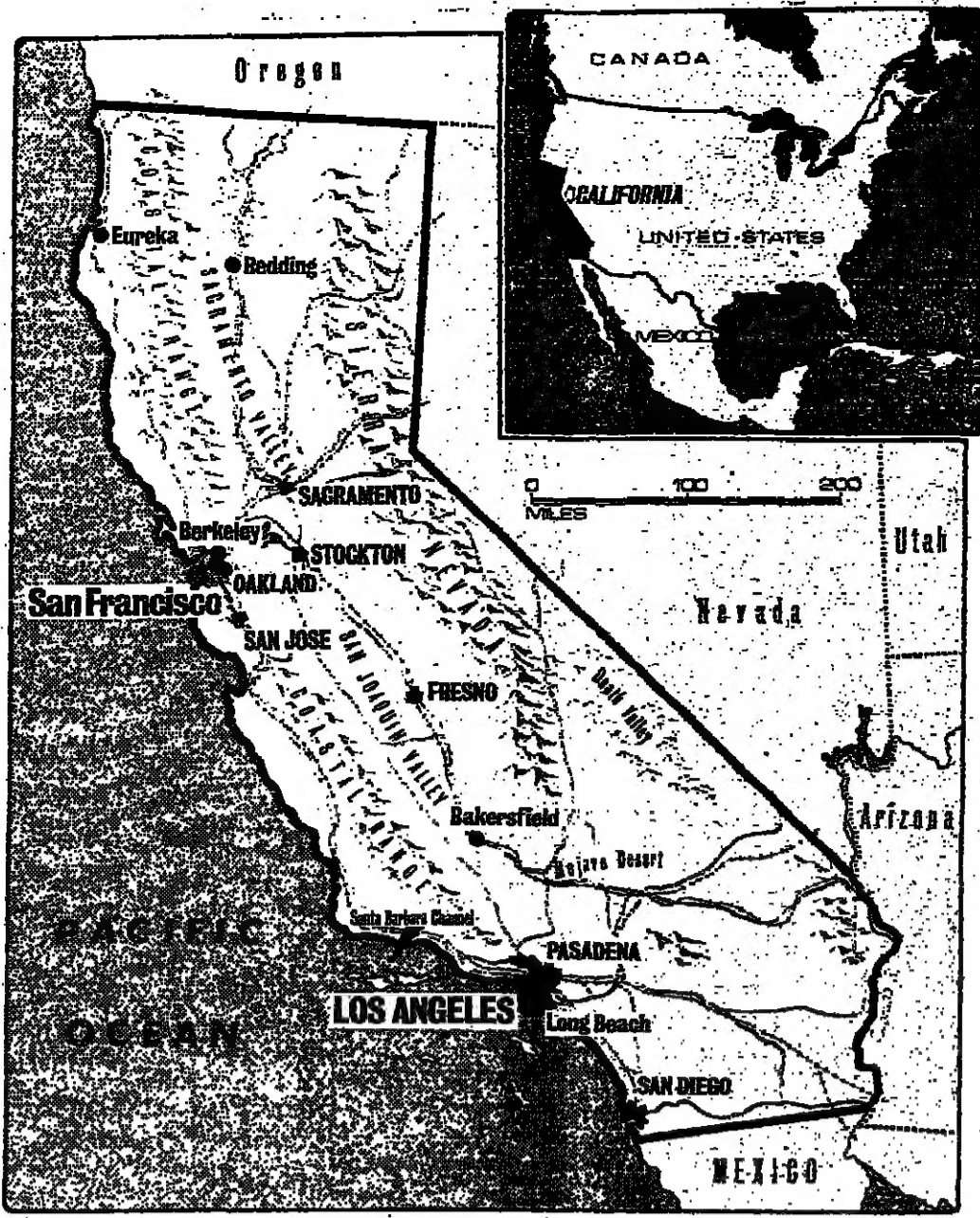
he still there? "Tell me, tell me!"

High culture is growing to appreciate the city too. David Hockney paints it, Antoni Gaudí films it. British architectural critic Reyner Banham writes books in praise of its freeways, and when the New York Philharmonic wants a new conductor it lures away Zubin Mehta, LA's brilliant maestro.

And San Francisco? It does not want to change. It is sentimental about tradition, it is in love with its past, the old customs and landmarks, Chinatown and cable cars and fogs and fables. It is an end-of-the-line place to-day, for the wanderer who has not made it, and realises he has no one to blame but himself. That, they say, accounts for the incredible number of bars (more than any other U.S. city); and alas, of suicides—again, the nation's highest.

As for the famous rivalry, it is a gag that most Americans take for granted. As Sydney Smith observed on hearing two fishwives bawling insults at each other from upper floors on opposite sides of a narrow Edinburgh street: "Those two women will never agree: they are arguing from different premises."

M.I.



Los Angeles' Hollywood Freeway.

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Good life

CONTINUED FROM PREVIOUS PAGE

Valley where the land falls to 279.8 feet below sea level.

Much of California's natural beauty is protected by National and State Parks that offer 25m. acres of public recreation area. There are five National Parks here—King's Canyon, Lassen Volcanic, Redwoods, Sequoia and Yosemite—plus a national seashore at Point Reyes, eight national monuments and 18 national forests with 17 wilderness areas.

Just as with the State, there is no single image for most of California's major cities. Within walking distance in San Francisco, which bills itself as "everybody's favourite city," are the largest Chinese community outside China itself and the Little Italy of North Beach. Barely an hour's drive away are the cypress cliffs and shops of Carmel and Monterey, the wineries of the Napa Valley or the redwoods of Muir Woods. Hollywood, movie capital of the world, is within the Los Angeles city limits. Minutes from the

heart of Los Angeles are some of the nation's best beaches, towering mountains, open desert and a selection of big-time amusement parks, from Disneyland and Knott's Berry Farm to Magic Mountain and the Universal Studios tour.

California, of course, is not just for Californians. The State's tourist industries should show a 4 per cent gain this year from the \$2.3bn. earned last year, predicts Bank of America. Southern California, which saw a record 8.5m. holiday-makers who spent more than \$2.43bn. last year, should be "at least as well off or perhaps a little better" in 1976, says a Visitors' Council official—despite the heavy competition this bicentennial year from Eastern States rich in early American history. Most of California's foreign visitors are from Canada and Mexico, followed by Britain, Japan, France, New Zealand and Australia.

A.G.

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HOTELS—Continued

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INDUSTRIALS (Contd.)

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††BANKS AND HIRE PURCHASE

[illegible]

ELECTRICAL AND RADIO

[illegible]

CHEMICALS, PLASTICS

[illegible]

ENGINEERING MACHINE TOOLS

EVENING		MIDDAY		AFTERNOON	
Apr. 1	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 2	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 3	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 4	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 5	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 6	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 7	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 8	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 9	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 10	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 11	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 12	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 13	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 14	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 15	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 16	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 17	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 18	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 19	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 20	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 21	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 22	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 23	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 24	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 25	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 26	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 27	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 28	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 29	Ag. A. C. Mackintosh	73	23.2	2.75	2.55
Apr. 30	Ag. A. C. Mackintosh	73	23.2	2.75	2.55

FOOD, GROCERIES, ETC.

June Adams Foods 18p
July Alpine Soft D 10p
June Am. Biscuit 20p
Sept. Am. Brit. Fds. 3p
Oct. Am. Dairies
Nov. Am. Fishers
Sept. Avana Group 5p
Nov. Banks (Sidney C.)
April Barker & D. 10p
Oct. Barr (A.G.)
Aug. Bassett (Gen)

BUILDING INDUSTRY, TIMBER & ROADS

Jan.	John	Abner	Con. Co.	113	138	135	134	133	132	131	130	129	128	127	126	125	124	123	122	121	120	119	118	117	116	115	114	113	112	111	110	109	108	107	106	105	104	103	102	101	100	99	98	97	96	95	94	93	92	91	90	89	88	87	86	85	84	83	82	81	80	79	78	77	76	75	74	73	72	71	70	69	68	67	66	65	64	63	62	61	60	59	58	57	56	55	54	53	52	51	50	49	48	47	46	45	44	43	42	41	40	39	38	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	0	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13	-14	-15	-16	-17	-18	-19	-20	-21	-22	-23	-24	-25	-26	-27	-28	-29	-30	-31	-32	-33	-34	-35	-36	-37	-38	-39	-40	-41	-42	-43	-44	-45	-46	-47	-48	-49	-50	-51	-52	-53	-54	-55	-56	-57	-58	-59	-60	-61	-62	-63	-64	-65	-66	-67	-68	-69	-70	-71	-72	-73	-74	-75	-76	-77	-78	-79	-80	-81	-82	-83	-84	-85	-86	-87	-88	-89	-90	-91	-92	-93	-94	-95	-96	-97	-98	-99	-100	-101	-102	-103	-104	-105	-106	-107	-108	-109	-110	-111	-112	-113	-114	-115	-116	-117	-118	-119	-120	-121	-122	-123	-124	-125	-126	-127	-128	-129	-130	-131	-132	-133	-134	-135	-136	-137	-138	-139	-140	-141	-142	-143	-144	-145	-146	-147	-148	-149	-150	-151	-152	-153	-154	-155	-156	-157	-158	-159	-160	-161	-162	-163	-164	-165	-166	-167	-168	-169	-170	-171	-172	-173	-174	-175	-176	-177	-178	-179	-180	-181	-182	-183	-184	-185	-186	-187	-188	-189	-190	-191	-192	-193	-194	-195	-196	-197	-198	-199	-200	-201	-202	-203	-204	-205	-206	-207	-208	-209	-210	-211	-212	-213	-214	-215	-216	-217	-218	-219	-220	-221	-222	-223	-224	-225	-226	-227	-228	-229	-230	-231	-232	-233	-234	-235	-236	-237	-238	-239	-240	-241	-242	-243	-244	-245	-246	-247	-248	-249	-250	-251	-252	-253	-254	-255	-256	-257	-258	-259	-260	-261	-262	-263	-264	-265	-266	-267	-268	-269	-270	-271	-272	-273	-274	-275	-276	-277	-278	-279	-280	-281	-282	-283	-284	-285	-286	-287	-288	-289	-290	-291	-292	-293	-294	-295	-296	-297	-298	-299	-300	-301	-302	-303	-304	-305	-306	-307	-308	-309	-310	-311	-312	-313	-314	-315	-316	-317	-318	-319	-320	-321	-322	-323	-324	-325	-326	-327	-328	-329	-330	-331	-332	-333	-334	-335	-336	-337	-338	-339	-340	-341	-342	-343	-344	-345	-346	-347	-348	-349	-350	-351	-352	-353	-354	-355	-356	-357	-358	-359	-360	-361	-362	-363	-364	-365	-366	-367	-368	-369	-370	-371	-372	-373	-374	-375	-376	-377	-378	-379	-380	-381	-382	-383	-384	-385	-386	-387	-388	-389	-390	-391	-392	-393	-394	-395	-396	-397	-398	-399	-400	-401	-402	-403	-404	-405	-406	-407	-408	-409	-410	-411	-412	-413	-414	-415	-416	-417	-418	-419	-420	-421	-422	-423	-424	-425	-426	-427	-428	-429	-430	-431	-432	-433	-434	-435	-436	-437	-438	-439	-440	-441	-442	-443	-444	-445	-446	-447	-448	-449	-450	-451	-452	-453	-454	-455	-456	-457	-458	-459	-460	-461	-462	-463	-464	-465	-466	-467	-468	-469	-470	-471	-472	-473	-474	-475	-476	-477	-478	-479	-480	-481	-482	-483	-484	-485	-486	-487	-488	-489	-490	-491	-492	-493	-494	-495	-496	-497	-498	-499	-500	-501	-502	-503	-504	-505	-506	-507	-508	-509	-510	-511	-512	-513	-514	-515	-516	-517	-518	-519	-520	-521	-522	-523	-524	-525	-526	-527	-528	-529	-530	-531	-532	-533	-534	-535	-536	-537	-538	-539	-540	-541	-542	-543	-544	-545	-546	-547	-548	-549	-550	-551	-552	-553	-554	-555	-556	-557	-558	-559	-560	-561	-562	-563	-564	-565	-566	-567	-568	-569	-570	-571	-572	-573	-574	-575	-576	-577	-578	-579	-580	-581	-582	-583	-584	-585	-586	-587	-588	-589	-590	-591	-592	-593	-594	-595	-596	-597	-598	-599	-600	-601	-602	-603	-604	-605	-606	-607	-608	-609	-610	-611	-612	-613	-614	-615	-616	-617	-618	-619	-620	-621	-622	-623	-624	-625	-626	-627	-628	-629	-630	-631	-632	-633	-634	-635	-636	-637	-638	-639	-640	-641	-642	-643	-644	-645	-646	-647	-648	-649	-650	-651	-652	-653	-654	-655	-656	-657	-658	-659	-660	-661	-662	-663	-664	-665	-666	-667	-668	-669	-670	-671	-672	-673	-674	-675	-676	-677	-678	-679	-680	-681	-682	-683	-684	-685	-686	-687	-688	-689	-690	-691	-692	-693	-694	-695	-696	-697	-698	-699	-700	-701	-702	-703	-704	-705	-706	-707	-708	-709	-710	-711	-712	-713	-714	-715	-716	-717	-718	-719	-720	-721	-722	-723	-724	-725	-726	-727	-728	-729	-730	-731	-732	-733	-734	-735	-736	-737	-738	-739	-740	-741	-742	-743	-744	-745	-746	-747	-748	-749	-750	-751	-752	-753	-754	-755	-756	-757	-758	-759	-760	-761	-762	-763	-764	-765	-766	-767	-768	-769	-770	-771	-772	-773	-774	-775	-776	-777	-778	-779	-780	-781	-782	-783	-784	-785	-786	-787	-788	-789	-790	-791	-792	-793	-794	-795	-796	-797	-798	-799	-800	-801	-802	-803	-804	-805	-806	-807	-808	-809	-810	-811	-812	-813	-814	-815	-816	-817	-818	-819	-820	-821	-822	-823	-824	-825	-826	-827	-828	-829	-830	-831	-832	-833	-834	-835	-836	-837	-838	-839	-840	-841	-842	-843	-844	-845	-846	-847	-848	-849	-850	-851	-852	-853	-854	-855	-856	-857	-858	-859	-860	-861	-862	-863	-864	-865	-866	-867	-868	-869	-870	-871	-872	-873	-874	-875	-876	-877	-878	-879	-880	-881	-882	-883	-884	-885	-886	-887	-888	-889	-890	-891	-892	-893	-894	-895	-896	-897	-898	-899	-900	-901	-902	-903	-904	-905	-906	-907	-908	-909	-910	-911	-912	-913	-914	-915	-916	-917	-918	-919	-920	-921	-922	-923	-924	-925	-926	-927	-928	-929	-930	-931	-932	-933	-934	-935	-936	-937	-938	-939	-940	-941	-942	-943	-944	-945	-946	-947	-948	-949	-950	-951	-952	-953	-954	-955	-956	-957	-958	-959	-960	-961	-962	-963	-964	-965	-966	-967	-968	-969	-970	-971	-972	-973	-974	-975	-976	-977	-978	-979	-980	-981	-982	-983	-984	-985	-986	-987	-988	-989	-990	-991	-992	-993	-994	-995	-996	-997	-998	-999	-1000
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HOTELS AND CATERERS

w.	July	Adds Int. 18p.
	July	Barel (J.) Fr. 100.
w.	Apr.	Brent Walker Sp.
r.	Nov.	Centre Hotels 18p.
w.	Apr.	C.C. H. Invest.

Conversion factor 0.6721 (0.6532)

April 1945

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FAR WEST RAND

Dividend Paid	Stock	Price	Last	Div	Yld
Feb. 1949	Barren 200	480	512	0.0000	1.3
Feb. 1949	Declined 200	135	140	0.0000	1.3
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Feb. 1949	Declined 200	480	512	0.0000	1.3
Feb. 1949	Declined 200	135	140	0.0000	1.3
Feb. 1949	Declined 200	480	512	0.0000	1.3
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Feb. 1949	Declined 200	135	140	0.0000	1.3
Feb. 1949	Declined 200	480	512	0.0000	1.3
Feb. 1949	Declined 200	135	140	0.0000	1.3
Feb. 1949	Declined 200	480	512	0.0000	1.3
Feb. 1949	Declined 200				

MINES—Continued

FAR WEST RAND

		O.F.S.			
Sept.	Tr. Main St. Sdc.	100	251	Q14c	1.4
May	Nov. S.F. Grand St.	1394	229	Q33bc	1.3
May	S.F. Stock Pl. Rd.	74	229	24c	2.6
May	Oct. Harrison St.	400	Q40	Q65c	0.6
May	Loraine Rd.	194	229	Q80	0.9
May	Nov. Pres. Exch. Sdc.	138	229	Q100	1.0
May	Nov. Pres. St. Sdc.	138	229	Q125c	1.2
May	S.F. Defense Rd.	120	229	Q250c	2.5
May	Laurel	120	229	Q250c	2.5
May	Wickham St.	300	229	Q250c	2.5
May	Nov. Pul. Main St. Sdc.	222	229	Q475c	4.7

FINANCE

May	Nov.	Ang Am Coal S&S	360d	82.00	3.50	2.8	3.4
May	Nov.	Ang Am Coal S&S	360d	83.00	3.50	3.3	3.5
May	Nov.	Ang Am Coal S&S	360d	84.00	3.50	3.2	3.4
May	Nov.	Ang Am Coal S&S	360d	85.00	3.50	3.1	3.3
May	Nov.	Ang Am Coal S&S	360d	86.00	3.50	3.0	3.2
May	Nov.	Ang Am Coal S&S	360d	87.00	3.50	2.9	3.1
May	Nov.	Ang Am Coal S&S	360d	88.00	3.50	2.8	3.0
May	Nov.	Ang Am Coal S&S	360d	89.00	3.50	2.7	2.9
May	Nov.	Ang Am Coal S&S	360d	90.00	3.50	2.6	2.8
May	Nov.	Ang Am Coal S&S	360d	91.00	3.50	2.5	2.7
May	Nov.	Ang Am Coal S&S	360d	92.00	3.50	2.4	2.6
May	Nov.	Ang Am Coal S&S	360d	93.00	3.50	2.3	2.5
May	Nov.	Ang Am Coal S&S	360d	94.00	3.50	2.2	2.4
May	Nov.	Ang Am Coal S&S	360d	95.00	3.50	2.1	2.3
May	Nov.	Ang Am Coal S&S	360d	96.00	3.50	2.0	2.2
May	Nov.	Ang Am Coal S&S	360d	97.00	3.50	1.9	2.1
May	Nov.	Ang Am Coal S&S	360d	98.00	3.50	1.8	2.0
May	Nov.	Ang Am Coal S&S	360d	99.00	3.50	1.7	1.9
May	Nov.	Ang Am Coal S&S	360d	100.00	3.50	1.6	1.8
May	Nov.	Ang Am Coal S&S	360d	101.00	3.50	1.5	1.7
May	Nov.	Ang Am Coal S&S	360d	102.00	3.50	1.4	1.6
May	Nov.	Ang Am Coal S&S	360d	103.00	3.50	1.3	1.5
May	Nov.	Ang Am Coal S&S	360d	104.00	3.50	1.2	1.4
May	Nov.	Ang Am Coal S&S	360d	105.00	3.50	1.1	1.3
May	Nov.	Ang Am Coal S&S	360d	106.00	3.50	1.0	1.2
May	Nov.	Ang Am Coal S&S	360d	107.00	3.50	0.9	1.1
May	Nov.	Ang Am Coal S&S	360d	108.00	3.50	0.8	1.0
May	Nov.	Ang Am Coal S&S	360d	109.00	3.50	0.7	0.9
May	Nov.	Ang Am Coal S&S	360d	110.00	3.50	0.6	0.8
May	Nov.	Ang Am Coal S&S	360d	111.00	3.50	0.5	0.7
May	Nov.	Ang Am Coal S&S	360d	112.00	3.50	0.4	0.6
May	Nov.	Ang Am Coal S&S	360d	113.00	3.50	0.3	0.5
May	Nov.	Ang Am Coal S&S	360d	114.00	3.50	0.2	0.4
May	Nov.	Ang Am Coal S&S	360d	115.00	3.50	0.1	0.3
May	Nov.	Ang Am Coal S&S	360d	116.00	3.50	0.0	0.2
May	Nov.	Ang Am Coal S&S	360d	117.00	3.50	0.0	0.1
May	Nov.	Ang Am Coal S&S	360d	118.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	119.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	120.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	121.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	122.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	123.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	124.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	125.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	126.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	127.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	128.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	129.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	130.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	131.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	132.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	133.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	134.00	3.50	0.0	0.0
May	Nov.	Ang Am Coal S&S	360d	135.00	3.50	0.0	0.0

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DIAMOND AND PLATINUM									
Nov.	May	Ample Am. Inv. 50c.	222	229	Q244c	•	6.2		
Dec.	Sept.	Brassy gray Pt. 10c.	75d	124	Q45c	•	3.7		
May	Nov.	De River Pt. 5c.	225	85	Q28c	•	7		
Jan.	Aug.	Do 40c Pt. 10c.	210	16	Q78c	•	11.1		
Nov.	May	Ledbury 10c.	80	210	Q2.9c	1.5	2.7		
Nov.	May	Pot. Plat. 5c.	135	210	Q5c	1.9	2.5		
Nov.	May	Union Plat. 10c.	100	210	Q4.0c	1.0	3.8		
Nov.	May	Wintersville	100	210	Q5.2c	1.8	3.5		

1000

CENTRAL AFRICAN					
November	Cornwall 25c	82	22 1/2	Q34c	2.11 24
November	Falco 25c	109	22 1/2	Q35c	1.9
September	Globe Plans 15c	30	22 1/2	1.25	0.2
March	Kia-Carp 10c	14w	6.5	0.56	0.8
1. M.J.U. O.	Roar Over 1c	160	12 1/2	Q110c	4.7
Jan. July	Thomson 15c	159	10.0	Q26c	1.2
Aug. July	De Prof 6c	65	5 1/2	Q9	18.0 11 1/2
Nov. June	Wmase 10c	70	6 1/2	Q10c	1.3 10 0

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AUSTRALIAN						
April	Archer 25c	22				
Nov. April	A. M. and 5 50c	173	16.9	Q7c	●	2.6
Nov. June	Bearcatsville 50c	122	8.9	Q10c	●	5.4
Nov. June	Big South 50c	170	77c			
September	Gold M. Kalc 51	45	66c			
September	Hampson Arroyo 5p	70	3.7	1.18	4.2	2.6
September	Oricals, Ex. 5c	41				
September	Oricals, Ex. 5c	38				

1. Flight 57	2. 200	3. 8.9
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June	Nov	North H. Hill St	165	20.10	Q9c	1.4	3.3
June	Nov	North H. Hill St	7				
June	Nov	Chadbridge S40	69	23.9	106c	8.9	7.8
		Pacific P. pp. 35c	36				
		Pacific 12c	213.4				
		Pacific 12c Ex Sp	34				
Apr.	Oct.	Paso-Falls 25c	5.5	33.9	Q25c	0	1.8
		Paso-Falls 25c	170	20.6			

on Dec. 10c	12	—
Dec 10c	7	—

Sept.	May	W. Mining Co.	170	89	40c	0.8	2
		Wham Creek 230	44				

TINS							
September	Amal. Nigeria	34	92	5.62	1.6	25.4	
Apr. Oct.	Myer Hiram	205	83	115.0	1.6	9.8	
June	Berard Trin.	23	113	21.75		11.7	
Jan.	July Bertram Sams	335	12.13	43.92			

2000	100	100
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2098	100	100
2099	100	100
2100	100	100

[illegible]

... 10p	47	26.1
... 20p	100	27.1

Jan.	Nov.	Saudi Piran	32	11.6	-	-	-
Apr.	Nov.	South Korea (1980)	87	21.3	19.5	1.5	+
June	Dec.	S. Korea	132	11.2	10.7	0.9	12.5
July	Dec.	Swampy Pst. 50	31	26	26.0	3.0	-
Mar.	Oct.	Swampy Pst. 50	32	27.4	22.0	-	5.5
Sept.	July	Tanzania 190	43	31.1	4.0	-	13.7
July	Mar	Tanzania 190	43	31.1	0.25%	0.6	13.7
Apr.	Oct.	Tanzania 190	75	2.3	4.29	0	8.8

COPPER

June	Dec.	Massachusetts	200	1.1	Q35c	1.9	10.4
MISCELLANEOUS							
—	—	Burma Mar 179	9	19.5	m0.5	—	1.5
—	—	Caribbean Sp	24	7.67	—	—	—
Aug.	Feb.	Conn. Church 10c	730	12.12	Q80c	6	6.5
—	—	Germany	34	—	—	—	—
July	—	Northgate Ch	400	27.3	1025c	2.8	3.3

197	171	2
92	-	

Standard Mines	45				
Toro Expts. \$1	57 1/2				
Yukon Cons. Co.	118	21 1/2			

NOTES

Unions otherwise indicated, prices and net dividends are in

Estimates are U.S. Estimated
are based on latest annual reports

ness, where possible, are reported on half-yearly figures; they are adjusted to ACT of 35 per cent. PTEs are calculated on the basis of net distributions; bracketed figures indicate 10 per cent, or more difference if calculated on "all" distributions. Covers are based on "maximum" distributions. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle price, 1967-68, and include both dividend distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

1.

- Rights and Loans marked thus have been adjusted to allow for rights issues for cash.
- Interest since increased or resumed.
- Interest since reduced, paused or deferred.
- Tax-free to non-residents.
- Figures or report waived.
- Banks and insurance reserve allocations may preclude calculation of dividend cover.
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issues.

to previous dividend or forecast
Date.

* Merger but no recapitalization in progress.
 * Not comparable.
 * Same interim reduced fiscal and/or reduced earnings indicated.
 * Based on 1973 profits.
 * Allow covers for conversion of shares but now ranking for dividend; or ranking only for restricted dividend.
 * Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
 * Excluding a fiscal dividend declaration.

1. *Journal of the American Medical Association*, 2000; 284: 2689-2695.

* Tax free. b Figures based on prospectus or other official estimate. c Dividend rate paid or payable on part of capital; cover based on dividend on full capital. d Redemption yield. e First yield. f Assumed dividend and yield. g Assumed dividend and yield after scrip issue. h Payment from capital sources. i Kenya, an interim higher than previous total. j Earnings based on preliminary figures. k Australian currency. l Dividend and yield exclude a special payment. m Indicated dividend; cover relates to complete dividend. P/E ratio based on latest annual earnings.

and: cover based on previous year
100 in the E. = Yield allows

dividend. **A** Dividend and yield based on merger terms. **B** Dividend and yield include a special payment: Cover does not apply to special payment. **C** Non dividend and yield. **D** Preference dividend passed or deferred. **E** Liquidation price. **F** Assumed dividend and yield after pending swap and/or rights issue. **G** Figures based on prospectus or other official estimates for 1976. **H** Dividend and yield based on prospectus or other official estimates for 1975. **I** Gross. **J** Figures assumed. **U** No

on dividend as an action item

"Recent Issues" and "Rights" Page 17.

Britain's leaders in Heating
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Air Conditioning equipment

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FINANCIAL TIMES

Monday March 22 1976

DOWDING & N
For all
ELECTRIC
REPAIRS

Ambassador's home shelled as fierce fighting grips centre of Beirut

BY OUR OWN CORRESPONDENT

A MORTAR shell exploded in the grounds of the British ambassador's home yesterday. It smashed windows and severed power lines but caused no injuries.

It was one of several that landed near the embassy. The ambassador, Mr. Peter Wakefield, was inside at the time.

Fighting again raged here, particularly in the luxury hotel area, with Muslim and left-wing forces grouped together in the Al Monrahitoun militia of the Independent Nasserite Movement claiming to have captured the Holiday Inn. This was denied, however, by the Phalangist Party, whose forces have been occupying the building.

Elsewhere in the city the fighting over the past 24 hours started what appeared to be two big fires in the commercial centre. The known casualty toll over the past two days rose to more than 50 dead and 125 wounded—putting the total since the March 11 attempt at a coup by Brigadier-General Aziz Abuhadid at least 375 dead and 850 wounded.

General Al-Ahdab tonight set up a 14-man Command Council to conduct military operations if President Suleiman Franjeh refused to resign.

The General will head the new Command Council for Military Operations himself, but it includes two leading members of the rebel Lebanese Arab Army—Lieutenant Ahmed Al-Khatib and Major Ahmed Maamari.

Ignoring Syria's efforts to avert a full-scale military showdown, forces of the predominantly Muslim Left and Right-wing Christian militia have been preparing for what promises to be a decisive battle for Mount Lebanon, the Maronite Catholic heartland of the country.

According to reliable reports, thousands of Druse fighters mobilised by Mr. Kamal Jumblat, their feudal leader, and their Left-wing allies have taken up positions on the hills around the town of Aley overlooking the Christian village of Al Kabbalah on the main Beirut-Damascus highway, some 15 miles east of Beirut.

Onslaught

At Al Kabbalah, Lebanese Army troops loyal to President Suleiman Franjeh have moved tanks and rocket launchers to head off the expected onslaught.

According to eye witnesses, Mr. Jumblat, who is the leader of the Left in Lebanon as well as the Druses' chief, has served as Chief of Staff of the Syrian Army some 15 years ago, and has been living here since he left Damascus.

Under the plan, the left wing are working to unify their troops in one force to be called the "Fakhreddin Army" after a Druse ruler of the 17th century.

In the past four days, there have been heavy artillery duels between rival factions in the Aley-Al Kabbalah region and other mountain districts. There are also said to have been mass killings in that area reminiscent of the massacres carried out by Druses and Christians there in 1980.

Refusal

More than 200 people have been killed in the past week since fighting resumed in wake of President Franjeh's refusal to resign under military and political pressure.

Syria, which has intensified its efforts to check the fast deterioration in the situation here, has urged Lebanese leaders

who have visited Damascus in the past few days that a military battle must be avoided at all cost. Damascus has warned that the Lebanese situation now poses a threat not only to Syria but also to the entire Arab world.

Three top Muslim leaders held talks with President Hafiz al-Assad in the Syrian capital yesterday, and returned in the evening speaking with guarded optimism.

Before going to Syria on Friday, Mr. Rashid Karami, the Premier, Mr. Kamel al-Assad, Speaker of the Parliament, and Mr. Saeb Salam, a former Prime Minister, all escaped unharmed from an attempt on their lives when rockets were fired to the Syrian aircraft which was sent here to take them to Damascus.

Christian leaders were meeting today under President Franjeh to consider the Syrian proposals, which are reported as a call for re-establishment of law and order and formation of an interim Cabinet, to be followed by the election of a new Head of State. They were carried by a delegation of the Phalangist Party, which has already visited Damascus twice.

BEIRUT, March 21.

THE LEX COLUMN

Insurance broker and sterling

The 5.1 per cent rise, seasonally adjusted, in M1 during the four weeks ended February 15 cannot be taken quite at face value. The Bank of England emphasises that the seasonal adjustment is highly tentative, given the near disappearance of the tax-paying season. But the acceleration of the money supply is confirmed, if less spectacularly, by the more broadly defined M3, which rose 2.2 per cent. The figures show what happens when the authorities stop selling gilts—they can have sold barely £50m. in the month to mid-February, and practically none since.

One month's figures will not worry the Bank. Its March Bulletin was "reconciled" to fluctuations month by month, and even quarter by quarter. But the gilt-edged market is aware that if the authorities do not find a natural opportunity for large gilt sales in the next few months they may have to repeat their interest rate tactics of last October.

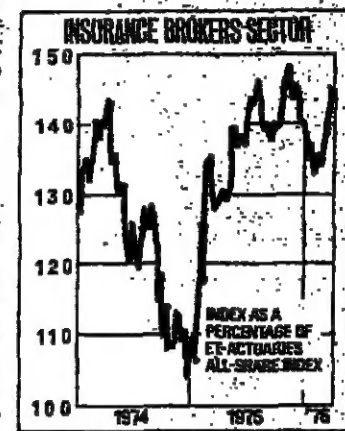
ends this month; over this period the dollar has appreciated by nearly 25 per cent. in terms of sterling and Sheppards are now expecting a 40 per cent. earnings per share gain by Heath.

The difficulty, however, is that such exchange gains may be only temporary—they will disappear if sterling stabilises (and go into reverse if it strengthens) while there is likely to be a consequential impact on sterling costs after a time lag. Fortunately there are other bullish arguments for the insurance brokers.

The shrinkage of North American underwriting capacity has brought a much increased volume of U.S. business to the London market since mid-1974, coupled with an upward move-

ment in premium rates. The capacity problems of Lloyd's itself have of course been of some concern to brokers, and it will become more difficult and expensive to place business. Another restraining factor is that lower interest rates are slowing the growth of investment income, which typically accounts for as much as a quarter of pre-tax profits. But in the U.S., at least, money rates may be starting to climb again. And Sheppards point out that insurance brokers have very little to fear from inflation accounting, so the apparent high ratings—an average p/e of 16.4 against 10.4 for industrial shares—may not be so daunting on a real basis.

As for the individual shares, three emerge as firm favourites. C. E. Heath is liked for its short-term earnings potential, and Alexander Howden for its



Insurance brokers

The weakness of sterling has given a new lease of life to the insurance broking sector, which was flagging a little, relative to the market, in the early weeks of the year. Stockbrokers Sheppards and Chase, already moderately bullish in their new review of the insurance brokers, have rushed out upgraded earnings estimates for 1976. Their view is that the drop in the sterling exchange rate has increased the likely average pre-tax profits growth rate for the sector in the current year from 15 per cent. to over 20 per cent.

The major effect comes from the revaluation of balances held overseas. Typically, over half of brokerage is earned abroad by large brokers, and since they can hold the cash for six months before converting it into sterling, it is likely that brokers hold something like a quarter of total annual brokerage in dollars. So a 5 per cent. sterling devaluation could raise income by around 14 per cent., equivalent to a 4 per cent. profit gain. In addition, overseas profits will be consolidated at more favourable rates. But the most dramatic exchange rate effects will be seen in those cases where the financial year

terminates in March. The capacity problems of Lloyd's itself have of course been of some concern to brokers, and it will become more difficult and expensive to place business. Another restraining factor is that lower interest rates are slowing the growth of investment income, which typically accounts for as much as a quarter of pre-tax profits. But in the U.S., at least, money rates may be starting to climb again. And Sheppards point out that insurance brokers have very little to fear from inflation accounting, so the apparent high ratings—an average p/e of 16.4 against 10.4 for industrial shares—may not be so daunting on a real basis.

As for the individual shares, three emerge as firm favourites. C. E. Heath is liked for its short-term earnings potential, and Alexander Howden for its

Wardle has not to present unpaid its shareholders declined in purchase terms by £242,000, cent. during a 74c historic interest. This figure up of a marginal 1c (compared with the historic cost tax and dividends and purchasing power £897,000—consisting of a £502,000 gain in liabilities and a £1 non-monetary asset).

These are the m figures to be precise. However, a number bigger groups—H. Hooper have given any indications of Sandilands on their an overall picture is nging to build up, ences between historic current cost pro. from 35 per cent. to nearly 100 per cent. Wardle—have been line with analysis, and it is noticeable companies which the most vulnerable. The exception is W. only yields 24 per that could be in part a tribute to it of financial disclosure

Call for consumer representation on worker-boards

BY JOHN ELLIOTT, MANAGEMENT EDITOR

REPRESENTATIVES of consumers should be allocated one-third of the seats on company Boards if the TUC's ideas for trade union-based worker-directors are given statutory backing by the Government, says the National Consumer Council today.

The proposal comes in written evidence prepared for the Bullock inquiry on industrial democracy. The Council, established last May by the Government to represent the interests of consumers.

The main point made by the Council, however, is that the mandatory imposition of directors representing special interests should be avoided and that directors representing workers and consumers should only be appointed voluntarily, according to individual merits.

"If the TUC proposals do in the end win the day, however, then the National Consumer Council is fully convinced that to balance representatives of the employees there must be representatives of consumers as well to prevent the kind of carve up

that would otherwise occur," says the evidence.

Mr. Michael Young, Council chairman, launching the evidence at the weekend, admitted that this was a "fairly negative" approach in that the Council was on the one hand opposing directors statutorily representing sectional interests, while on the other being prepared to tolerate them if the TUC won.

Mr. Young was also vague as to what special consumer-style interests, for example, a motor car manufacturer would bring to a machine tool maker's Board. The Council might have to water down its idea to allow environmental and other interests on to the Board, as well as consumer representatives.

The Council suggests that its consumer directors, who would be recruited by companies through newspaper advertisements as the British Airports Authority has done, should have one-third of a Board's seats. It seems likely to develop this idea further when it publishes proposals on the consumers' role in nationalised industries in July.

£10m. grant offered to BP for acetic acid plant

BY ADRIAN HAMILTON

THE GOVERNMENT is negotiating with BP Chemicals a £10m. interest relief grant to bring forward the construction of a £50m. extension to its acetic acid plant at Hull.

The Department of Industry offer, which goes before Parliament under a "positive resolution" scheduled for next Wednesday, would be the largest grant to be made under the Government's recently introduced accelerated investment scheme.

Under the scheme, for which £120m. has been made available, the Department of Industry can offer substantial interest relief grants to companies which can prove that they are bringing forward investment that would otherwise have been delayed or not undertaken at all.

The scheme is part of the Government's policy of concentrating assistance on specific industries and objectives—in this case counter-cyclical investment. Already £32m. of grants for projects costing some £200m. have been approved including substantial investment projects by Lucas, Ransome Hoffman Polard and Kitchin and Colman.

The BP Chemicals project is the largest so far known, although there are believed to be other projects under discussion involving as high, if not higher grants.

BP's plans—which still have to be approved by the Board and the approved by the Board following the settling of finance—were thought to involve the near doubling of the company's acetic acid capacity from 190,000 tonnes a year to 340,000 tonnes at the cost of some £40-£50m.

The project, based on a new processing system recently licensed from Monsanto, had originally been deferred by the company in view of the poor market conditions and financial stringencies.

Methanol

To meet the criteria for grant awards, construction will have to start by September this year, with completion planned towards the end of the decade. A plant of this size would presumably employ around 1,000 men in the construction phase, while a substantial proportion of its output would be exported.

BP Chemicals is currently the largest producer of acetic acid in Europe. The acid is used as the basic material for production of vinyl plastics, textiles, solvents and some herbicides.

The Monsanto process on which the new plant will be based uses methanol/carbon monoxide as a basic feedstock and the raw material will almost certainly come from North Sea

gas, possibly from BP's West of Scotland gas field. The plant is sited in Yorkshire. Under the legislation concerning gas, companies can take natural gas directly for petrochemical manufacture without the supply being offered first to the Gas Corporation.

The size of the grant offered relative to the cost of the total project suggests that an unusually high proportion of the financing will be met by the Treasury to induce the company to bring the investment forward to this year.

Under the industry Act, any grant over £5m. has to receive the approval of Parliament and this will be sought on Wednesday, when the Government can be expected to point to the employment, regional and export benefits that the investment will bring.

Response to the Government's accelerated investment scheme has been extremely good and the Department of Industry is taking a close look at applications to ensure that the projects are of sufficient worth and are genuinely being brought forward before approval is given. A rejection rate of nearly 50 per cent. has been experienced so far. Around £85m. remains in the kitty for offer, with the main negotiations taking place for major multi-million pound projects.

Continued from Page 1

Rhodesia statement

sians were longstanding supporters of the MPLA, whereas the South Africans had gone in of their own accord.

There was no attempt in the negotiations with M. Lunkwe to seek Soviet pledges of non-intervention in other parts of Southern Africa, including Rhodesia, although there is already a Cuban presence across the border in Mozambique.

The feeling is, however, that it would now be easier to put moral pressure on both the Cubans and the Russians to follow the South African example and Southern Africa is likely to play a prominent part in the talks with Mr. Gromyko.

In Salisbury, Mr. Nkomo accused Premier Smith of lying in saying Britain had asked the nationalists to demand black rule now.

He told reporters the basic policy of his African National Council faction was "one man, one vote—majority rule now."

By saying the British Government had asked him to demand it, Mr. Smith had told "a deliberate political lie," Mr. Nkomo said.

Mr. Mark Choma, political adviser to Zambian President Kenneth Kaunda, yesterday flew to London on what a Presidential spokesman said was a private visit.

But it seemed certain that Mr. Choma's mission was to urge a new British initiative in Rhodesia following the breakdown of constitutional talks.

It was believed in Lusaka that Mr. Choma, who has played the leading role in the "detente" dialogue between Zambia and South Africa, would urge British military intervention in Rhodesia. Reuter

Press Commission to explain its wage calculations

THE ROYAL Commission on the Press is to publish more details of how it collected statistics about earnings in Fleet Street, it was announced yesterday.

Professor O. R. McGregor, the Commission chairman, issued a statement which said:

"I have read criticism in today's Sunday Times of the methods and procedures adopted by the commission in the course of collecting and presenting statistics about earnings in Fleet Street."

"In order to prepare our interim report, we were compelled

to undertake a pioneering statistical investigation and to deploy data about the occupation, earnings and age structure of the whole work force never before available.

The commission were enabled to accomplish this in time by the wholehearted operation of all publishers.

"We will be publishing an account of our statistical methods and procedures to supplement that contained in our interim report."

"I reject entirely the implication in the Sunday Times article that these were unsatisfactory."

and I state without reservation that the statistical data presented in the tables and commentary of the report are reliable and that the conclusions drawn from them are realistic.

"As for the criticism made of the comparison drawn by some commentators between the earnings of editorial and production workers, the statistics published in the report fully justify the significant conclusion which is reached, that the average earnings of editorial employees rise in a pyramid from the base of the high earnings of production employees."

Natural gas substitute made from coal by new U.K. process

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH GAS has successfully demonstrated in a £5m. experiment the key stage in a new method of making a substitute for natural gas from coal.

The process could keep Britain's gas grid at full pressure when the North Sea supplies begin to diminish, and could provide a substitute natural gas (SNG) for parts of the U.K. too remote to be joined economically to the grid.

Results of the latest demonstrations at British Gas's Westfield development centre, Scotland, are being presented to U.S. energy officials in Washington today by Mr. Denis Hebditch, the programme director.

The likelihood is that the first big commercial-scale plants manufacturing SNG will be built in the U.S. where demand for natural gas has already outstripped supplies. But U.K. gas industry executives believe the Westfield demonstration have put British Gas in the forefront

for a major design and engineering contract from the U.S.

Dr. John Gray, director of research, British Gas, said the process is the only serious contender at present for the total gasification of coal. "And we are the only ones with the experience and know-how."

Several difficulties have been overcome in the year since work began.

The process is based on the high-pressure slagging gasifier, a technology invented by British Gas for rejecting the non-combustible portion of coal which can be as much as 50 per cent.—as molten slag instead of solid ash.

Quality

The advantages are greatly increased throughput of coal, which could reduce the capital cost of the plant by a factor of four, and the ability to handle very poor coals.

The Westfield demonstration plant recently completed two

seven-day test runs in which coal costing £10,000 a day was being consumed. It yielded gas at the rate of 25m. standard cubic feet per day, of a quality deemed ideal for further conversion to SNG.

The coal used so far has been mostly local except for one shipment of a hard U.S. coal.

Work on the slagging gasifier, including the cost of converting the original Lurgi gas-making plant—made redundant when natural gas reached the area—was financed by a consortium of 15 U.S. oil and gas companies, at a cost of \$10m. Conoco Development Company is co-ordinator for the sponsors.

The U.S. is considering a commercial scale unit with about ten times the Westfield output.

British Gas is discussing with its sponsors and the Energy Research and Development Administration the development of a larger unit size of slagging gasifier with perhaps five times the present output.

Weather

U.K. TO-DAY
CLOUDY with rain at times and snow on high ground except in the East.

East Anglia, E. England
Cloudy but mainly dry and rather cold. Max. 7C (45F).

North and South England, the Midlands, Lakes
Cloudy with rain at times. Max. 7C (45F).

Channel Isles, S.W. England, S. Wales
Cloudy with rain at times and

light wind. Max. 8C (46F).

N. Wales, Isle of Man, N. Ireland
Mainly dry with sunny periods. Max. 9C (48F).

N.E. England, Borders, Edinburgh, Dundee and Aberdeen
Cloudy with rain at times and snow on high ground. Wind S.E., fresh. Max. 4C (39F).

N.E. Scotland, Orkney, Shetland
Cloudy with rain at times and snow on high ground. Max. 4C (39F).

S.W. Scotland, Central Highlands
Cloudy with rain and snow on high ground. Max. 7C (45F).

Outlook: Mostly dry with bright intervals.

Lighting-up: London 19.46, Manchester 19.56, Glasgow 20.04, Belfast 20.11.

BUSINESS CENTRES		HOLIDAY RESORTS	
Y'day	Mid-day	Y'day	Mid-day
Alexandria C	21	Algeria C	11
Amsterdam C	21	Algeria C	11
Antwerp C	21	Algeria C	11
Barcelona C	21	Algeria C	11
Bombay C	21	Algeria C	11
Buenos Aires C	21	Algeria C	11
Calcutta C	21	Algeria C	11
Cairo C	21	Algeria C	11
Cardiff C	21	Algeria C	11
Cebu C	21	Algeria C	11
Copenhagen C	21	Algeria C	11
Dublin C	21	Algeria C	11
Edinburgh C	21	Algeria C	11
Frankfurt C	21	Algeria C	11
Geneva C	21	Algeria C	11
Glasgow C	21	Algeria C	11
Helsinki C	21	Algeria C	11
Hong Kong C	21	Algeria C	11
London C	21	Algeria C	11

HOLIDAY RESORTS		HOLIDAY RESORTS	
Y'day	Mid-day	Y'day	Mid-day
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11
Algeria C	11	Algeria C	11

Higher Rate Taxpayers

Schlesingers 'Nil Yield' Fund is specifically designed for
Also suitable for Trustees Children's Investments
Capital Transfer Tax planning

Capital growth of	Tax Rate 50%	Gross income yield equivalent	
		70%	90%
2% equals	3.5%	5.5%	7.5%
4% equals	7.0%	11.0%	15.0%
6% equals	10.5%	17.5%	22.5%

Total Net Returns
Many investors are now looking increasingly at total NET returns from investments rather than at gross dividend returns which can suffer very high rates of taxation.

The table, indicating the gross income yields equivalent (at varying income-tax rates) to the specified gross capital gains, shows how unattractive such income can be compared with gains made in an Authorised Unit Trust. Here, very modest relative capital gain offers the same net return as a very high gross income at the upper end of the tax range.

In fact, for the 70% tax payer capital gains in an Authorised Unit Trust are worth at least 2.9 times as much as the same income return.

inherent in Authorised Unit Trusts, Schlesingers Trust Managers have resolved this difficulty and can offer a diversified portfolio.

Three Portfolios in one
The Fund is divided into 3 separate portfolios:

1. Fixed Interest
This portfolio includes "Surplus" GILTs where the redemption yield is substantially represented by capital gains. This portfolio and cash awaiting investment currently accounts for 51% of the Trust.
2. Overseas Growth Stocks
This portfolio—some 40% of the Trust—includes particular emphasis on the U.S. stock market, currently favoured by the Managers.
3. U.K. Equities
This portfolio—currently 9% of the Trust—includes high yielding equities and a small proportion in the Capital Shares of Dual Capital Investment Trust Companies.

The Fund's aim is to maximise capital growth whilst offering a higher return (by way of total

appreciation) than in fixed interest deposits. The Fund will not accept with any ordinary share. The managers will alter the portfolio to agree with the objectives of the investors. An investment in this Fund is regarded as long term. "PIMS"—the recent action of many years ago. Schlesingers PTMS Risk Trider Nil Yield Fund specifically for the larger 20-50% in cash. 25% provides regular portfolio valuations, 10% invitations to meet the managers.

The figures used above are based on the April 1975 Minimum Investment Fund is £5,000 or £500 regular gifts.

For full details please contact Client Liaison Dept., Schlesingers, 140 South Docking, Surrey. If you like to discuss your requirements please contact us on London 01-409 3100.

Wolcott and Co. (London) Ltd. 19 Henriques Square, London W.1R 9DA. Tel: 01-409 3100.

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I would like full info on the PIMS Nil Yield Fund.

Name _____

Address _____

Postcode _____

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